

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1001 be amended to read as follows:

- 1 Page 14, between lines 18 and 19, begin a new paragraph and insert:
2 "SECTION 11. IC 5-28-26-18, AS ADDED BY P.L.203-2005,
3 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2008]: Sec. 18. (a) A unit may issue bonds for the purpose of
5 providing public facilities under this chapter.
6 (b) The bonds are payable from any funds available to the unit.
7 (c) The bonds shall be authorized by a resolution of the unit.
8 (d) The terms and form of the bonds shall be set out either in the
9 resolution or in a form of trust indenture approved by the resolution.
10 (e) The bonds must mature within:
11 (1) fifty (50) years, **for bonds issued before July 1, 2008; or**
12 (2) **twenty-five (25) years, for bonds issued after June 30,**
13 **2008.**
14 (f) The unit shall sell the bonds at public or private sale upon terms
15 determined by the district.
16 (g) All money received from any bonds issued under this chapter
17 shall be applied solely to the payment of the cost of providing public
18 facilities within a global commerce center, or the cost of refunding or
19 refinancing outstanding bonds, for which the bonds are issued. The cost
20 may include the cost of:
21 (1) planning and development of the public facilities and all
22 related buildings, facilities, structures, and improvements;
23 (2) acquisition of a site and clearing and preparing the site for
24 construction;

(3) equipment, facilities, structures, and improvements that are necessary or desirable to make the public facilities suitable for use and operation;

(4) architectural, engineering, consultant, and attorney's fees;

(5) incidental expenses in connection with the issuance and sale of bonds;

(6) reserves for principal and interest;

(7) interest during construction and for a period thereafter determined by the district, but not to exceed five (5) years;

(8) financial advisory fees;

(9) insurance during construction;

(10) municipal bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement; and

(11) in the case of refunding or refinancing, payment of the principal of, redemption premiums, if any, for, and interest on, the bonds being refunded or refinanced.

(h) A unit that issues bonds under this section may enter an interlocal agreement with any other unit located in the area served by the district in which the global commerce center is designated. A party to an agreement under this section may pledge any of its revenues, including taxes or allocated taxes under IC 36-7-14, to the bonds or lease rental obligations of another party to the agreement."

Page 72, between lines 37 and 38, begin a new paragraph and insert:

"SECTION 87. IC 6-1.1-12.1-2, AS AMENDED BY P.L.154-2006, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) A designating body may find that a particular area within its jurisdiction is an economic revitalization area. However, the deduction provided by this chapter for economic revitalization areas not within a city or town shall not be available to retail businesses.

(b) In a county containing a consolidated city or within a city or town, a designating body may find that a particular area within its jurisdiction is a residentially distressed area. Designation of an area as a residentially distressed area has the same effect as designating an area as an economic revitalization area, except that the amount of the deduction shall be calculated as specified in section 4.1 of this chapter and the deduction is allowed for not more than five (5) years. In order to declare a particular area a residentially distressed area, the designating body must follow the same procedure that is required to designate an area as an economic revitalization area and must make all the following additional findings or all the additional findings described in subsection (c):

(1) The area is comprised of parcels that are either unimproved or contain only one (1) or two (2) family dwellings or multifamily dwellings designed for up to four (4) families, including accessory buildings for those dwellings.

(2) Any dwellings in the area are not permanently occupied and are:

- (A) the subject of an order issued under IC 36-7-9; or
- (B) evidencing significant building deficiencies.

(3) Parcels of property in the area:

- (A) have been sold and not redeemed under IC 6-1.1-24 and IC 6-1.1-25; or
- (B) are owned by a unit of local government.

However, in a city in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000), the designating body is only required to make one (1) of the additional findings described in this subsection or one (1) of the additional findings described in subsection (c).

(c) In a county containing a consolidated city or within a city or town, a designating body that wishes to designate a particular area a residentially distressed area may make the following additional findings as an alternative to the additional findings described in subsection (b):

(1) A significant number of dwelling units within the area are not permanently occupied or a significant number of parcels in the area are vacant land.

(2) A significant number of dwelling units within the area are:

- (A) the subject of an order issued under IC 36-7-9; or
- (B) evidencing significant building deficiencies.

(3) The area has experienced a net loss in the number of dwelling units, as documented by census information, local building and demolition permits, or certificates of occupancy, or the area is owned by Indiana or the United States.

(4) The area (plus any areas previously designated under this subsection) will not exceed ten percent (10%) of the total area within the designating body's jurisdiction.

However, in a city in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000), the designating body is only required to make one (1) of the additional findings described in this subsection as an alternative to one (1) of the additional findings described in subsection (b).

(d) A designating body is required to attach the following conditions to the grant of a residentially distressed area designation:

(1) The deduction will not be allowed unless the dwelling is rehabilitated to meet local code standards for habitability.

(2) If a designation application is filed, the designating body may require that the redevelopment or rehabilitation be completed within a reasonable period of time.

(e) To make a designation described in subsection (a) or (b), the designating body shall use procedures prescribed in section 2.5 of this chapter.

(f) The property tax deductions provided by section 3, 4.5, or 4.8 of this chapter are only available within an area which the designating body finds to be an economic revitalization area.

(g) The designating body may adopt a resolution establishing general standards to be used, along with the requirements set forth in the definition of economic revitalization area, by the designating body in finding an area to be an economic revitalization area. The standards must have a reasonable relationship to the development objectives of the area in which the designating body has jurisdiction. The following four (4) sets of standards may be established:

(1) One (1) relative to the deduction under section 3 of this chapter for economic revitalization areas that are not residentially distressed areas.

(2) One (1) relative to the deduction under section 3 of this chapter for residentially distressed areas.

(3) One (1) relative to the deduction allowed under section 4.5 of this chapter.

(4) One (1) relative to the deduction allowed under section 4.8 of this chapter.

(h) A designating body may impose a fee for filing a designation application for a person requesting the designation of a particular area as an economic revitalization area. The fee may be sufficient to defray actual processing and administrative costs. However, the fee charged for filing a designation application for a parcel that contains one (1) or more owner-occupied, single-family dwellings may not exceed the cost of publishing the required notice.

(i) In declaring an area an economic revitalization area, the designating body may:

(1) limit the time period to a certain number of calendar years during which the economic revitalization area shall be so designated;

(2) limit the type of deductions that will be allowed within the economic revitalization area to the deduction allowed under section 3 of this chapter, the deduction allowed under section 4.5 of this chapter, the deduction allowed under section 4.8 of this chapter, or any combination of these deductions;

(3) limit the dollar amount of the deduction that will be allowed with respect to new manufacturing equipment, new research and development equipment, new logistical distribution equipment, and new information technology equipment if a deduction under this chapter had not been filed before July 1, 1987, for that equipment;

(4) limit the dollar amount of the deduction that will be allowed with respect to redevelopment and rehabilitation occurring in areas that are designated as economic revitalization areas on or after September 1, 1988;

(5) limit the dollar amount of the deduction that will be allowed under section 4.8 of this chapter with respect to the occupation of an eligible vacant building; or

(6) impose reasonable conditions related to the purpose of this chapter or to the general standards adopted under subsection (g) for allowing the deduction for the redevelopment or rehabilitation of the property or the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

To exercise one (1) or more of these powers, a designating body must include this fact in the resolution passed under section 2.5 of this chapter.

(j) Notwithstanding any other provision of this chapter, if a designating body limits the time period during which an area is an economic revitalization area, that limitation does not:

(1) prevent a taxpayer from obtaining a deduction for new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment installed on or before the approval deadline determined under section 9 of this chapter, but after the expiration of the economic revitalization area if:

(A) the economic revitalization area designation expires after December 30, 1995; and

(B) the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment was described in a statement of benefits submitted to and approved by the designating body in accordance with section 4.5 of this chapter before the expiration of the economic revitalization area designation; or

(2) limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under section 4, 4.5, or 4.8 of this chapter.

(k) Notwithstanding any other provision of this chapter, deductions:

(1) that are authorized under section 3 of this chapter for property in an area designated as an urban development area before March 1, 1983, and that are based on an increase in assessed valuation resulting from redevelopment or rehabilitation that occurs before March 1, 1983; or

(2) that are authorized under section 4.5 of this chapter for new manufacturing equipment installed in an area designated as an urban development area before March 1, 1983;

apply according to the provisions of this chapter as they existed at the time that an application for the deduction was first made. No deduction that is based on the location of property or new manufacturing

equipment in an urban development area is authorized under this chapter after February 28, 1983, unless the initial increase in assessed value resulting from the redevelopment or rehabilitation of the property or the installation of the new manufacturing equipment occurred before March 1, 1983.

(l) **In addition to the other requirements of this chapter**, if property located in an economic revitalization area is also located in an allocation area (as defined in IC 36-7-14-39 or IC 36-7-15.1-26), ~~an application for the property tax deduction provided by this chapter a taxpayer's statement of benefits concerning that property may not be approved under this chapter unless the commission that designated the allocation area adopts a resolution approving the application statement of benefits is adopted by the legislative body of the unit that approved the designation of the allocation area."~~

Page 115, between lines 19 and 20, begin a new paragraph and insert:

"SECTION 129. IC 6-1.1-20-1.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1.6. **(a)** As used in this chapter, "property taxes" means a property tax rate or levy to pay debt service or to pay lease rentals. ~~but does not include~~ **Except as provided in subsections (b) and (c), the term includes** taxes allocated for an allocation area under IC 6-1.1-39-5, IC 8-22-3.5-9, IC 36-7-14-39, IC 36-7-15.1-26, or IC 36-7-15.1-53 **to the extent that those taxes are used to pay debt service or lease rentals.**

(b) The term "property taxes" does not include taxes that:

(1) are allocated for an allocation area under IC 6-1.1-39-5, IC 8-22-3.5-9, IC 36-7-14-39, IC 36-7-15.1-26, or IC 36-7-15.1-53; and

(2) will be used to pay debt service or lease rentals on bonds or a lease:

(A) issued or entered into before July 1, 2008;

(B) issued or entered into after June 30, 2008, but authorized by a resolution adopted before July 1, 2008; or

(C) issued or entered into after June 30, 2008, in order to:

(i) fulfill the terms of agreements or pledges entered into before July 1, 2008, with the holders of bonds or other contractual obligations that were issued or entered into before July 1, 2008; or

(ii) otherwise prevent an impairment of the rights or remedies of the holders of bonds or other contractual obligations that were issued or entered into before July 1, 2008.

(c) The term "property taxes" does not include taxes that:

(1) are allocated for an allocation area under IC 6-1.1-39-5, IC 8-22-3.5-9, IC 36-7-14-39, IC 36-7-15.1-26, or IC 36-7-15.1-53; and

(2) will be used to pay debt service or lease rentals; if, not later than fifteen (15) days after the adoption of the preliminary resolution to issue the bonds or enter into the lease for which the taxes will be used to pay debt service or lease rentals, the Indiana economic development corporation issues a finding stating that those taxes should not be considered property taxes for purposes of this chapter.

(d) Before making a finding under subsection (c), the Indiana economic development corporation must consider whether the project or facility for which the debt service or lease rentals will be paid will:

- (1) lead to increased investment in Indiana;
- (2) foster job creation or job retention in Indiana;
- (3) have a positive impact on the political subdivision in which the project or facility is located or will be located; or
- (4) otherwise benefit the people of Indiana by increasing opportunities for employment in Indiana and strengthening the economy of Indiana."

Page 154, between lines 39 and 40, begin a new paragraph and insert:

"SECTION 174. IC 6-1.1-45-9, AS AMENDED BY P.L.211-2007, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) Subject to subsection (c), a taxpayer that makes a qualified investment is entitled to a deduction from the assessed value of the taxpayer's enterprise zone property located at the enterprise zone location for which the taxpayer made the qualified investment. The amount of the deduction is equal to the remainder of:

- (1) the total amount of the assessed value of the taxpayer's enterprise zone property assessed at the enterprise zone location on a particular assessment date; minus
- (2) the total amount of the base year assessed value for the enterprise zone location.

(b) To receive the deduction allowed under subsection (a) for a particular year, a taxpayer must comply with the conditions set forth in this chapter.

(c) A taxpayer that makes a qualified investment in an enterprise zone established under IC 5-28-15-11 that is under the jurisdiction of a military base reuse authority board created under IC 36-7-14.5 or IC 36-7-30-3 is entitled to a deduction under this section only if the deduction is approved by the **legislative body of the unit that established the** military base reuse authority board.

(d) Except as provided in subsection (c), a taxpayer that makes a qualified investment at an enterprise zone location that is located within an allocation area, as defined by IC 12-19-1.5-1, is entitled to a deduction under this section only if the deduction is approved by the: ~~governing body of the allocation area:~~

(1) fiscal body of the unit, in the case of an allocation area established under IC 6-1.1-39;

(2) legislative body of the unit described in IC 8-22-3.5-1, in the case of an allocation area located in an airport development zone;

(3) legislative body of the unit that established the department of redevelopment, in the case of an allocation area established under IC 36-7-14;

(4) legislative body of the unit that established the redevelopment authority, in the case of an allocation area established under IC 36-7-14.5;

(5) legislative body of the consolidated city or excluded city that approved the establishment of the allocation area, in the case of an allocation area established under IC 36-7-15.1; or

(6) legislative body of the unit that established the reuse authority, in the case of an allocation area established under IC 36-7-30."

Page 216, between lines 16 and 17, begin a new paragraph and insert:

"SECTION 209. IC 12-19-1.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) A governing body may ~~after a public hearing, impose~~ **recommend to the:**

(1) fiscal body of the unit, in the case of an allocation area established under IC 6-1.1-39;

(2) legislative body of the unit described in IC 8-22-3.5-1, in the case of an allocation area located in an airport development zone;

(3) legislative body of the unit that established the department of redevelopment, in the case of an allocation area established under IC 36-7-14;

(4) legislative body of the unit that established the redevelopment authority, in the case of an allocation area established under IC 36-7-14.5;

(5) legislative body of the consolidated city or excluded city that approved the establishment of the allocation area, in the case of an allocation area established under IC 36-7-15.1; or

(6) legislative body of the unit that established the reuse authority, in the case of an allocation area established under IC 36-7-30;

that a special assessment **be imposed** on the owners of property that is located in an allocation area to repay a bond or an obligation described in section 8 of this chapter that comes due after December 31, 1999. The amount of a special assessment for a taxpayer shall be determined by multiplying the replacement amount by a fraction, the denominator of which is the total incremental assessed value in the allocation area, and the numerator of which is the incremental assessed value of the taxpayer's property in the allocation area.

1 **(b) If the governing body's recommendation under subsection**
 2 **(a) is approved by the applicable entity described in subsection (a),**
 3 **the governing body shall conduct a public hearing on the proposed**
 4 **special assessment.** Before ~~a~~ the public hearing ~~under subsection (a)~~
 5 ~~may be~~ is held, the governing body must publish notice of the hearing
 6 under IC 5-3-1. The notice must state that the governing body will meet
 7 to consider whether a special assessment should be imposed under this
 8 chapter and whether the special assessment will help the governing
 9 body realize the redevelopment or economic development objectives
 10 for the allocation area or honor its obligations related to the allocation
 11 area. The notice must also name a date when the governing body will
 12 receive and hear remonstrances and objections from persons affected
 13 by the special assessment. All persons affected by the hearing,
 14 including all taxpayers within the allocation area, shall be considered
 15 notified of the pendency of the hearing and of subsequent acts,
 16 hearings, and orders of the governing body by the notice. At the
 17 hearing, which may be adjourned from time to time, the governing
 18 body shall hear all persons affected by the proceedings and shall
 19 consider all written remonstrances and objections that have been filed.
 20 The only grounds for remonstrance or objection are that the special
 21 assessment will not help the governing body realize the redevelopment
 22 or economic development objectives for the allocation area or honor its
 23 obligations related to the allocation area. After considering the
 24 evidence presented, the governing body shall take final action
 25 concerning the proposed special assessment. The final action taken by
 26 the governing body shall be recorded and is final and conclusive,
 27 except that an appeal may be taken in the manner prescribed by
 28 subsection (c).

29 (c) A person who filed a written remonstrance with a governing
 30 body under subsection (b) and is aggrieved by the final action taken
 31 may, within ten (10) days after that final action, file in the office of the
 32 clerk of the circuit or superior court a copy of the order of the
 33 governing body and the person's remonstrance or objection against that
 34 final action, together with a bond conditioned to pay the costs of appeal
 35 if the appeal is determined against the person. The only ground of
 36 remonstrance or objection that the court may hear is whether the
 37 proposed assessment will help achieve the redevelopment of economic
 38 development objectives for the allocation area or honor its obligations
 39 related to the allocation area. An appeal under this subsection shall be
 40 promptly heard by the court without a jury. All remonstrances or
 41 objections upon which an appeal has been taken must be consolidated,
 42 heard, and determined within thirty (30) days after the time of the filing
 43 of the appeal. The court shall hear evidence on the remonstrances or
 44 objections, and may confirm the final action of the governing body or
 45 sustain the remonstrances or objections. The judgment of the court is
 46 final and conclusive, unless an appeal is taken as in other civil actions.

(d) The maximum amount of a special assessment under this section may not exceed the replacement amount.

(e) A special assessment shall be imposed and collected in the same manner as ad valorem property taxes are imposed and collected."

Page 233, between lines 34 and 35, begin a new paragraph and insert:

"SECTION 228. IC 36-3-5-8, AS AMENDED BY P.L.219-2007, SECTION 113, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) This section applies whenever a special taxing district of the consolidated city has the power to issue bonds, notes, or warrants.

(b) Before any bonds, notes, or warrants of a special taxing district may be issued, the issue must be approved by resolution of the legislative body of the consolidated city.

(c) Any bonds of a special taxing district must be issued in the manner prescribed by statute for that district, and the board of the department having jurisdiction over the district shall:

(1) hold all required hearings;

(2) adopt all necessary resolutions; and

(3) appropriate the proceeds of the bonds;

in that manner. However, the legislative body shall levy each year the special tax required to pay the principal of and interest on the bonds and any bank paying charges.

(d) Notwithstanding any other statute, bonds of a special taxing district may:

(1) be dated;

(2) be issued in any denomination;

(3) mature at any time or times not exceeding fifty (50) years after their date, **except as otherwise provided by IC 36-7-14 or IC 36-7-15.1**; and

(4) be payable at any bank or banks;

as determined by the board. The interest rate or rates that the bonds will bear must be determined by bidding, notwithstanding IC 5-1-11-3.

(e) Bonds of a special taxing district are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to the filing of a petition requesting the issuance of bonds and giving notice of the petition, the giving of notice of a hearing on the appropriation of the proceeds of bonds, the right of taxpayers to appear and be heard on the proposed appropriation, the approval of the appropriation by the department of local government finance, the right of taxpayers and voters to remonstrate against the issuance of bonds, and the sale of bonds at public sale."

Page 237, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 234. IC 36-7-4-207 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 207. (a) ADVISORY. In a city having a park board and a city civil engineer, the city plan commission consists of nine (9) members, as follows:

- 1 (1) One (1) member appointed by the city legislative body from
2 its membership.
- 3 (2) One (1) member appointed by the park board from its
4 membership.
- 5 (3) One (1) member or designated representative appointed by the
6 city works board.
- 7 (4) The city civil engineer or a qualified assistant appointed by the
8 city civil engineer.
- 9 (5) Five (5) citizen members, of whom no more than three (3)
10 may be of the same political party, appointed by the city
11 executive.
- 12 (b) ADVISORY. If a city lacks either a park board or a city civil
13 engineer, or both, subsection (a) does not apply. In such a city or in any
14 town, the municipal plan commission consists of seven (7) members,
15 as follows:
 - 16 (1) The municipal legislative body shall appoint three (3) persons,
17 who must be elected or appointed municipal officials or
18 employees in the municipal government, as members.
 - 19 (2) The municipal executive shall appoint four (4) citizen
20 members, of whom no more than two (2) may be of the same
21 political party.
- 22 (c) AREA. To provide equitable representation of rural and urban
23 populations, representation on the area plan commission is determined
24 as follows:
 - 25 (1) Seven (7) representatives from each city having a population
26 of more than one hundred five thousand (105,000).
 - 27 (2) Six (6) representatives from each city having a population of
28 not less than seventy thousand (70,000) nor more than one
29 hundred five thousand (105,000).
 - 30 (3) Five (5) representatives from each city having a population of
31 not less than thirty-five thousand (35,000) but less than seventy
32 thousand (70,000).
 - 33 (4) Four (4) representatives from each city having a population of
34 not less than twenty thousand (20,000) but less than thirty-five
35 thousand (35,000).
 - 36 (5) Three (3) representatives from each city having a population
37 of not less than ten thousand (10,000) but less than twenty
38 thousand (20,000).
 - 39 (6) Two (2) representatives from each city having a population of
40 less than ten thousand (10,000).
 - 41 (7) One (1) representative from each town having a population of
42 more than two thousand one hundred (2,100), and one (1)
43 representative from each town having a population of two
44 thousand one hundred (2,100) or less that had a representative
45 before January 1, 1979.
 - 46 (8) Such representatives from towns having a population of not

more than two thousand one hundred (2,100) as are provided for in section 210 of this chapter.

(9) Six (6) county representatives if the total number of municipal representatives in the county is an odd number, or five (5) county representatives if the total number of municipal representatives is an even number.

(d) METRO. The metropolitan development commission consists of nine (9) citizen members, as follows:

(1) Four (4) members, of whom no more than two (2) may be of the same political party, appointed by the executive of the consolidated city.

(2) Three (3) members, of whom no more than two (2) may be of the same political party, appointed by the legislative body of the consolidated city.

(3) Two (2) members, who must be of different political parties, appointed by the board of commissioners of the county.

(e) METRO. The legislative body of the consolidated city shall appoint an individual to serve as a nonvoting adviser to the metropolitan development commission when the commission is acting as the redevelopment commission of the consolidated city under IC 36-7-15.1. If the duties of the metropolitan development commission under IC 36-7-15.1 are transferred to another entity under IC 36-3-4-23, the individual appointed under this subsection shall serve as a nonvoting adviser to that entity. A nonvoting adviser appointed under this subsection:

(1) must also be a member of the school board of a school corporation that includes all or part of the territory of the consolidated city;

(2) is not considered a member of the metropolitan development commission for purposes of IC 36-7-15.1 but is entitled to attend and participate in the proceedings of all meetings of the metropolitan development commission (or any successor entity designated under IC 36-3-4-23) when it is acting as a redevelopment commission under IC 36-7-15.1;

(3) is not entitled to a salary, per diem, or reimbursement of expenses;

(4) serves for a term of two (2) years and until a successor is appointed; and

(5) serves at the pleasure of the legislative body of the consolidated city."

Page 240, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 238. IC 36-7-14-6.1, AS AMENDED BY P.L.190-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6.1. (a) The five (5) commissioners for a municipal redevelopment commission shall be appointed as follows:

(1) Three (3) shall be appointed by the municipal executive.

(2) Two (2) shall be appointed by the municipal legislative body.
The municipal executive shall also appoint an individual to serve as a nonvoting adviser to the redevelopment commission beginning July 1, 2008.

(b) The commissioners for a county redevelopment commission **that has five (5) members** shall be appointed by ~~the county executive~~, as follows:

(1) **The county executive shall appoint all the members whose terms of office begin before January 1, 2008.**

(2) **For terms of office beginning after December 31, 2007, the county executive shall appoint three (3) members, and the county fiscal body shall appoint two (2) members.**

The county executive shall also appoint an individual to serve as a nonvoting adviser to the redevelopment commission beginning July 1, 2008.

(c) The commissioners for a county redevelopment commission **that has seven (7) members** shall be appointed as follows:

(1) **The county executive shall appoint all the members whose terms of office begin before January 1, 2008.**

(2) **For terms of office beginning after December 31, 2007, the county executive shall appoint four (4) members, and the county fiscal body shall appoint three (3) members.**

The county executive shall also appoint an individual to serve as a nonvoting adviser to the redevelopment commission beginning July 1, 2008.

(d) **A nonvoting adviser appointed under this section:**

(1) **must also be a member of the school board of a school corporation that includes all or part of the territory served by the redevelopment commission;**

(2) **is not considered a member of the redevelopment commission for purposes of this chapter but is entitled to attend and participate in the proceedings of all meetings of the redevelopment commission;**

(3) **is not entitled to a salary, per diem, or reimbursement of expenses;**

(4) **serves for a term of two (2) years and until a successor is appointed; and**

(5) **serves at the pleasure of the entity that appointed the nonvoting adviser.**

SECTION 239. IC 36-7-14-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. (a) A redevelopment commissioner **or a nonvoting adviser appointed under section 6.1 of this chapter** may not have a pecuniary interest in any contract, employment, purchase, or sale made under this chapter. However, any property required for redevelopment purposes in which a commissioner **or nonvoting adviser** has a pecuniary interest may be acquired, but only by gift or condemnation.

(b) A transaction made in violation of this section is void.

SECTION 240. IC 36-7-14-15, AS AMENDED BY P.L.221-2007, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 15. (a) Whenever the redevelopment commission finds that:

(1) an area in the territory under ~~their~~ **its** jurisdiction is an area needing redevelopment;

(2) the conditions described in IC 36-7-1-3 cannot be corrected in the area by regulatory processes or the ordinary operations of private enterprise without resort to this chapter; ~~and~~

(3) the public health and welfare will be benefited by:

(A) the acquisition and redevelopment of the area under this chapter **as a redevelopment project area; or**

(B) **the amendment of the resolution or plan, or both, for an existing redevelopment project area; and**

(4) **in the case of an amendment to the resolution or plan for an existing redevelopment project area:**

(A) **the amendment is reasonable and appropriate when considered in relation to the original resolution or plan and the purposes of this chapter;**

(B) **the resolution or plan, with the proposed amendment, conforms to the comprehensive plan for the unit; and**

(C) **if the amendment enlarges the boundaries of the area, the existing area does not generate sufficient revenue to meet the financial obligations of the original project;**

the commission shall cause to be prepared the data described in subsection (b).

(b) After making a finding under subsection (a), the commission shall cause to be prepared:

(1) maps and plats showing:

(A) the boundaries of the area ~~needing redevelopment, in which property would be acquired for, or otherwise affected by, the establishment of a redevelopment project area or the amendment of the resolution or plan for an existing area;~~

(B) the location of the various parcels of property, streets, alleys, and other features affecting the acquisition, clearance, remediation, replatting, replanning, rezoning, or redevelopment of the area, indicating any parcels of property to be excluded from the acquisition **or otherwise excluded from the effects of the establishment of the redevelopment project area or the amendment of the resolution or plan for an existing area;** and

~~(B)~~ (C) the parts of the area acquired, **if any**, that are to be devoted to public ways, levees, sewerage, parks, playgrounds, and other public purposes under the redevelopment plan;

(2) lists of the owners of the various parcels of property proposed to be acquired **for, or otherwise affected by, the establishment of an area or the amendment of the resolution or plan for an existing area;** and

(3) an estimate of the ~~cost of~~ **costs, if any, to be incurred for the** acquisition and redevelopment **of property.**

(c) **This subsection applies to the initial establishment of a redevelopment project area.** After completion of the data required by subsection (b), the redevelopment commission shall adopt a resolution declaring that:

(1) the area needing redevelopment is a menace to the social and economic interest of the unit and its inhabitants;

(2) it will be of public utility and benefit to acquire the area and redevelop it under this chapter; and

(3) the area is designated as a redevelopment project area for purposes of this chapter.

The resolution must state the general boundaries of the redevelopment project area, and that the department of redevelopment proposes to acquire all of the interests in the land within the boundaries, with certain designated exceptions, if there are any.

(d) **This subsection applies to the amendment of the resolution or plan for an existing redevelopment project area. After completion of the data required by subsection (b), the redevelopment commission shall adopt a resolution declaring that:**

(1) **if the amendment enlarges the boundaries of the area, the existing area does not generate sufficient revenue to meet the financial obligations of the original project;**

(2) **it will be of public utility and benefit to amend the resolution or plan for the area; and**

(3) **any additional area to be acquired under the amendment is designated as part of the existing redevelopment project area for purposes of this chapter.**

The resolution must state the general boundaries of the redevelopment project area, including any changes made to those boundaries by the amendment, and describe the activities that the department of redevelopment is permitted to take under the amendment, with any designated exceptions.

~~(d)~~ (e) For the purpose of adopting a resolution under subsection (c) **or (d),** it is sufficient to describe the boundaries of the redevelopment project area by its location in relation to public ways or streams, or otherwise, as determined by the commissioners. Property excepted from the ~~acquisition~~ **application of a resolution** may be described by street numbers or location.

SECTION 241. IC 36-7-14-15.5, AS AMENDED BY P.L.185-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 15.5. (a) This section applies to a county having

1 a population of more than two hundred thousand (200,000) but less
2 than three hundred thousand (300,000).

3 (b) In adopting a declaratory resolution under section 15 of this
4 chapter, a redevelopment commission may include a provision stating
5 that the redevelopment project area is considered to include one (1) or
6 more additional areas outside the boundaries of the redevelopment
7 project area if the redevelopment commission makes the following
8 findings and the requirements of subsection (c) are met:

9 (1) One (1) or more taxpayers presently located within the
10 boundaries of the redevelopment project area are expected within
11 one (1) year to relocate all or part of their operations outside the
12 boundaries of the redevelopment project area and have expressed
13 an interest in relocating all or part of their operations within the
14 boundaries of an additional area.

15 (2) The relocation described in subdivision (1) will contribute to
16 the continuation of the conditions described in IC 36-7-1-3 in the
17 redevelopment project area.

18 (3) For purposes of this section, it will be of public utility and
19 benefit to include the additional areas as part of the
20 redevelopment project area.

21 (c) Each additional area must be designated by the redevelopment
22 commission as a redevelopment project area or an economic
23 development area under this chapter.

24 (d) Notwithstanding section 3 of this chapter, the additional areas
25 shall be considered to be a part of the redevelopment special taxing
26 district under the jurisdiction of the redevelopment commission. Any
27 excess property taxes that the commission has determined may be paid
28 to taxing units under section 39(b)(3) of this chapter shall be paid to
29 the taxing units from which the excess property taxes were derived. All
30 powers of the redevelopment commission authorized under this chapter
31 may be exercised by the redevelopment commission in additional areas
32 under its jurisdiction.

33 (e) The declaratory resolution must include a statement of the
34 general boundaries of each additional area. However, it is sufficient to
35 describe those boundaries by location in relation to public ways,
36 streams, or otherwise, as determined by the commissioners.

37 (f) The declaratory resolution may include a provision with respect
38 to the allocation and distribution of property taxes with respect to one
39 (1) or more of the additional areas in the manner provided in section 39
40 of this chapter. If the redevelopment commission includes such a
41 provision in the resolution, allocation areas in the redevelopment
42 project area and in the additional areas considered to be part of the
43 redevelopment project area shall be considered a single allocation area
44 for purposes of this chapter.

45 (g) The additional areas must be located within the same county as
46 the redevelopment project area but are not otherwise required to be

1 within the jurisdiction of the redevelopment commission, if the
 2 redevelopment commission obtains the consent by ordinance of:

- 3 (1) the county legislative body, for each additional area located
- 4 within the unincorporated part of the county; or
- 5 (2) the legislative body of the city or town affected, for each
- 6 additional area located within a city or town.

7 In granting its consent, the legislative body shall approve the plan of
 8 development or redevelopment relating to the additional area.

9 (h) A declaratory resolution previously adopted may be amended to
 10 include a provision to include additional areas as set forth in this
 11 section and an allocation provision under section 39 of this chapter
 12 with respect to one (1) or more of the additional areas in accordance
 13 with ~~section 17.5~~ **sections 15, 16, and 17** of this chapter.

14 (i) The redevelopment commission may amend the allocation
 15 provision of a declaratory resolution in accordance with ~~section 17.5~~
 16 **sections 15, 16, and 17** of this chapter to change the assessment date
 17 that determines the base assessed value of property in the allocation
 18 area to any assessment date following the effective date of the
 19 allocation provision of the declaratory resolution. Such a change may
 20 relate to the assessment date that determines the base assessed value of
 21 that portion of the allocation area that is located in the redevelopment
 22 project area alone, that portion of the allocation area that is located in
 23 an additional area alone, or the entire allocation area.

24 SECTION 242. IC 36-7-14-16, AS AMENDED BY P.L.1-2006,
 25 SECTION 565, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2008]: Sec. 16. (a) This subsection does not
 27 apply to the redevelopment commission of an excluded city described
 28 in section 1(b) of this chapter. After adoption of a resolution under
 29 section 15 of this chapter **that designates a redevelopment project**
 30 **area or amends the resolution or plan for an existing area**, the
 31 redevelopment commission shall submit the resolution and supporting
 32 data to the plan commission of the unit, or if there is no plan
 33 commission, then to the body charged with the duty of developing a
 34 general plan for the unit, if there is such a body. The plan commission
 35 may determine whether the resolution and the redevelopment plan
 36 conform to the plan of development for the unit and approve or
 37 disapprove the resolution and plan proposed. The redevelopment
 38 commission may amend or modify the resolution and proposed plan in
 39 order to conform them to the requirements of the plan commission. The
 40 plan commission shall issue its written order approving or disapproving
 41 the resolution and redevelopment plan, and may, with the consent of
 42 the redevelopment commission, rescind or modify that order.

43 (b) This subsection does not apply to the redevelopment
 44 commission of an excluded city described in section 1(b) of this
 45 chapter. The redevelopment commission may not proceed with:

- 46 (1) the acquisition of a redevelopment project area; **or**

(2) the implementation of an amendment to the resolution or plan for an existing redevelopment project area;

until the approving order of the plan commission is issued and approved by the municipal legislative body or county executive.

(c) In determining the location and extent of a redevelopment project area proposed to be acquired for redevelopment, the redevelopment commission and the plan commission of the unit shall give consideration to transitional and permanent provisions for adequate housing for the residents of the area who will be displaced by the redevelopment project.

(d) **After adoption of a resolution under section 15 of this chapter that designates a redevelopment project area or amends the resolution or plan for an existing area,** a redevelopment commission in an excluded city that is exempt from the requirements of subsections (a) and (b) shall submit the resolution and supporting data to the municipal legislative body of the excluded city. The municipal legislative body may:

(1) determine if the resolution and the redevelopment plan conform to the plan of development for the unit; and

(2) approve or disapprove the resolution and plan proposed.

SECTION 243. IC 36-7-14-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 17. (a) After receipt of the written order of approval of the plan commission and approval of the municipal legislative body or county executive, the redevelopment commission shall publish notice of the adoption and substance of the resolution in accordance with IC 5-3-1. The notice must:

(1) state that maps and plats have been prepared and can be inspected at the office of the department; ~~The notice must also~~
and

(2) name a date when the commission will:

(A) receive and hear remonstrances and objections from persons interested in or affected by the proceedings pertaining to the proposed project **or other actions to be taken under the resolution;** and ~~will~~

(B) determine the public utility and benefit of the proposed project **or other actions.**

All persons affected in any manner by the hearing, including all taxpayers of the special taxing district, shall be considered notified of the pendency of the hearing and of subsequent acts, hearings, adjournments, and orders of the commission by the notice given under this section.

(b) A copy of the notice of the hearing on the ~~proposed project resolution~~ shall be filed in the office of the unit's plan commission, board of zoning appeals, works board, park board, and building commissioner, and any other departments, bodies, or officers of the unit having to do with unit planning, variances from zoning ordinances,

land use, or the issuance of building permits. These agencies and officers shall take notice of the pendency of the hearing and, until the commission confirms, modifies and confirms, or rescinds the resolution, or the confirmation of the resolution is set aside on appeal, may not:

(1) authorize any construction on property or sewers in the area described in the resolution, including substantial modifications, rebuilding, conversion, enlargement, additions, and major structural improvements; or

(2) take any action regarding the zoning or rezoning of property, or the opening, closing, or improvement of streets, alleys, or boulevards in the area described in the resolution.

This subsection does not prohibit the granting of permits for ordinary maintenance or minor remodeling, or for changes necessary for the continued occupancy of buildings in the area.

(c) If the resolution to be considered at the hearing includes a provision establishing or amending an allocation provision under section 39 of this chapter, the redevelopment commission shall file the following information with each taxing unit that is wholly or partly located within the allocation area:

(1) A copy of the notice required by subsection (a).

(2) A statement disclosing the impact of the allocation area, including the following:

(A) The estimated economic benefits and costs incurred by the allocation area, as measured by increased employment and anticipated growth of real property assessed values.

(B) The anticipated impact on tax revenues of each taxing unit.

The redevelopment commission shall file the information required by this subsection with the officers of the taxing unit who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten (10) days before the date of the hearing.

(d) At the hearing, which may be adjourned from time to time, the redevelopment commission shall hear all persons interested in the proceedings and shall consider all written remonstrances and objections that have been filed. After considering the evidence presented, the commission shall take final action determining the public utility and benefit of the proposed project **or other actions to be taken under the resolution**, and confirming, modifying and confirming, or rescinding the resolution. The final action taken by the commission shall be recorded and is final and conclusive, except that an appeal may be taken in the manner prescribed by section 18 of this chapter.

SECTION 244. IC 36-7-14-17.5, AS AMENDED BY P.L.185-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 17.5. ~~(a) The commission must conduct a public hearing before amending a resolution or plan for a redevelopment~~

project area; an urban renewal project area; or an economic development area; the commission shall give notice of the hearing in accordance with IC 5-3-1. The notice must:

- (1) set forth the substance of the proposed amendment;
- (2) state the time and place where written remonstrances against the proposed amendment may be filed;
- (3) set forth the time and place of the hearing; and
- (4) state that the commission will hear any person who has filed a written remonstrance during the filing period set forth under subdivision (2).

(b) For the purposes of this section, the consolidation of areas is not considered the enlargement of the boundaries of an area.

(c) When the commission proposes to amend a resolution or plan, the commission is not required to have evidence or make findings that were required for the establishment of the original redevelopment project area; urban renewal area; or economic development area. However, the commission must make the following findings before approving the amendment:

- (1) The amendment is reasonable and appropriate when considered in relation to the original resolution or plan and the purposes of this chapter.
- (2) The resolution or plan, with the proposed amendment, conforms to the comprehensive plan for the unit.

(d) (a) In addition to the requirements of ~~subsection (a)~~; **section 17 of this chapter**, if the resolution or plan **for an existing redevelopment project area** is proposed to be amended in a way that changes:

- (1) parts of the area that are to be devoted to a public way, levee, sewerage, park, playground, or other public purposes;
- (2) the proposed use of the land in the area; or
- (3) requirements for rehabilitation, building requirements, proposed zoning, maximum densities, or similar requirements;

the commission must, at least ten (10) days before the public hearing **under section 17 of this chapter**, send the notice required by **subsection (a) section 17 of this chapter** by first class mail to affected neighborhood associations.

(e) (b) In addition to the requirements of ~~subsection (a)~~; **section 17 of this chapter**, if the resolution or plan **for an existing redevelopment project area** is proposed to be amended in a way that:

- (1) enlarges the boundaries of the area; ~~by not more than twenty percent (20%) of the original area~~; or
- (2) adds one (1) or more parcels to the list of parcels to be acquired;

the commission must, at least ten (10) days before the public hearing **under section 17 of this chapter**, send the notice required by **subsection (a) section 17 of this chapter** by first class mail to affected

neighborhood associations and to persons owning property that is in the proposed enlargement of the area or that is proposed to be added to the acquisition list. If the enlargement of an area is proposed, notice must also be filed in accordance with section 17(b) of this chapter, and agencies and officers may not take actions prohibited by section 17(b) of this chapter in the proposed enlarged area.

(f) ~~Notwithstanding subsections (a) and (c), if the resolution or plan is proposed to be amended in a way that enlarges the original boundaries of the area by more than twenty percent (20%), the commission must use the procedure provided for the original establishment of areas and must comply with sections 15 through 17 of this chapter.~~

(g) ~~At the hearing on the amendments, the commission shall consider written remonstrances that are filed. The action of the commission on the amendment shall be recorded and is final and conclusive, except that an appeal of the commission's action may be taken under section 18 of this chapter.~~

~~(h)~~ (c) The commission may require that neighborhood associations register with the commission. The commission may adopt a rule that requires that a neighborhood association encompass a part of the geographic area included in or proposed to be included in a redevelopment project area, urban renewal area, or economic development area to qualify as an affected neighborhood association.

SECTION 245. IC 36-7-14-20, AS AMENDED BY P.L.185-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 20. (a) **Subject to the approval of the legislative body of the unit that established the department of redevelopment,** if the redevelopment commission considers it necessary to acquire real property in a redevelopment project area by the exercise of the power of eminent domain, ~~they the commission~~ shall adopt a resolution setting out ~~their its~~ determination to exercise that power and directing ~~their its~~ attorney to file a petition in the name of the unit on behalf of the department of redevelopment, in the circuit or superior court of the county in which the property is situated.

(b) Eminent domain proceedings under this section are governed by IC 32-24 and other applicable statutory provisions for the exercise of the power of eminent domain. Property already devoted to a public use may be acquired under this section, but property belonging to the state or any political subdivision may not be acquired without its consent.

(c) The court having jurisdiction shall direct the clerk of the circuit court to execute a deed conveying the title of real property acquired under this section to the unit for the use and benefit of its department of redevelopment.

SECTION 246. IC 36-7-14-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 24. (a) All expenses incurred by the department of redevelopment that must be paid before

the collection of taxes levied under this chapter shall be paid in the manner prescribed by this section. The commission shall certify the items of expense to the fiscal officer of the unit ~~directing him to pay~~ **requesting payment of** the amounts certified. ~~and Subject to appropriation by the fiscal body of the unit,~~ the fiscal officer shall then draw ~~his a warrant~~ **The warrant shall in the requested amount to** be paid out of the general fund of the unit. ~~without appropriation by the fiscal body or approval by any other body.~~ If the unit has no unappropriated monies in its general fund, the fiscal officer of the unit ~~shall~~ **may** recommend to the fiscal body the temporary transfer from other funds of the unit of a sufficient amount to meet the items of expense, or the making of a temporary loan for that purpose. The fiscal body ~~shall immediately~~ **may** make the transfer or authorize the temporary loan in the same manner that other transfers and temporary loans are made by the unit.

(b) The amount advanced by the unit under this section may not exceed fifty thousand dollars (\$50,000), and the fund or funds of the unit from which the advancement is made shall be fully reimbursed and repaid by the redevelopment commission out of ~~the first proceeds of the special taxes levied under this chapter.~~ **legally available revenues.**

(c) The redevelopment commission may not use any part of the amount advanced by the unit under this section in the acquisition of real property.

SECTION 247. IC 36-7-14-25.1, AS AMENDED BY P.L.219-2007, SECTION 125, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 25.1. (a) In addition to other methods of raising money for property acquisition or redevelopment in a redevelopment project area, and in anticipation of the special tax to be levied under section 27 of this chapter, the taxes allocated under section 39 of this chapter, or other revenues of the district, or any combination of these sources, the redevelopment commission may, by resolution and subject to subsection (p), issue the bonds of the special taxing district in the name of the unit. The amount of the bonds may not exceed the total, as estimated by the commission, of all expenses reasonably incurred in connection with the acquisition and redevelopment of the property, including:

- (1) the total cost of all land, rights-of-way, and other property to be acquired and redeveloped;
- (2) all reasonable and necessary architectural, engineering, legal, financing, accounting, advertising, bond discount, and supervisory expenses related to the acquisition and redevelopment of the property or the issuance of bonds;
- (3) capitalized interest permitted by this chapter and a debt service reserve for the bonds to the extent the redevelopment commission determines that a reserve is reasonably required; and
- (4) expenses that the redevelopment commission is required or

1 permitted to pay under IC 8-23-17.

2 (b) If the redevelopment commission plans to acquire different
3 parcels of land or let different contracts for redevelopment work at
4 approximately the same time, whether under one (1) or more
5 resolutions, the commission may provide for the total cost in one (1)
6 issue of bonds.

7 (c) The bonds must be dated as set forth in the bond resolution and
8 negotiable, subject to the requirements of the bond resolution for
9 registering the bonds. The resolution authorizing the bonds must state:

10 (1) the denominations of the bonds;

11 (2) the place or places at which the bonds are payable; and

12 (3) the term of the bonds, which may not exceed:

13 (A) fifty (50) years, **for bonds issued before July 1, 2008; or**

14 (B) **twenty-five (25) years, for bonds issued after June 30,**
15 **2008.**

16 The resolution may also state that the bonds are redeemable before
17 maturity with or without a premium, as determined by the
18 redevelopment commission.

19 (d) The redevelopment commission shall certify a copy of the
20 resolution authorizing the bonds to the municipal or county fiscal
21 officer, who shall then prepare the bonds, subject to subsection (p). The
22 seal of the unit must be impressed on the bonds, or a facsimile of the
23 seal must be printed on the bonds.

24 (e) The bonds must be executed by the appropriate officer of the
25 unit and attested by the municipal or county fiscal officer.

26 (f) The bonds are exempt from taxation for all purposes.

27 (g) The municipal or county fiscal officer shall give notice of the
28 sale of the bonds by publication in accordance with IC 5-3-1. The
29 municipal fiscal officer, or county fiscal officer or executive, shall sell
30 the bonds to the highest bidder, but may not sell them for less than
31 ninety-seven percent (97%) of their par value. However, bonds payable
32 solely or in part from tax proceeds allocated under section 39(b)(2) of
33 this chapter, or other revenues of the district may be sold at a private
34 negotiated sale.

35 (h) Except as provided in subsection (i), a redevelopment
36 commission may not issue the bonds when the total issue, including
37 bonds already issued and to be issued, exceeds two percent (2%) of the
38 adjusted value of the taxable property in the special taxing district, as
39 determined under IC 36-1-15.

40 (i) The bonds are not a corporate obligation of the unit but are an
41 indebtedness of the taxing district. The bonds and interest are payable,
42 as set forth in the bond resolution of the redevelopment commission:

43 (1) from a special tax levied upon all of the property in the taxing
44 district, as provided by section 27 of this chapter;

45 (2) from the tax proceeds allocated under section 39(b)(2) of this
46 chapter;

(3) from other revenues available to the redevelopment commission; or

(4) from a combination of the methods stated in subdivisions (1) through (3).

If the bonds are payable solely from the tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources, they may be issued in any amount without limitation.

(j) Proceeds from the sale of bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years from the date of issuance.

(k) All laws relating to the giving of notice of the issuance of bonds, the giving of notice of a hearing on the appropriation of the proceeds of the bonds, the right of taxpayers to appear and be heard on the proposed appropriation, and the approval of the appropriation by the department of local government finance apply to all bonds issued under this chapter that are payable from the special benefits tax levied pursuant to section 27 of this chapter or from taxes allocated under section 39 of this chapter.

(l) All laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers and voters to remonstrate against the issuance of bonds apply to bonds issued under this chapter. ~~except for~~ **However, this subsection does not apply to the bonds if they:**

(1) are payable solely from tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources; and

(2) were:

(A) issued before July 1, 2008;

(B) issued after June 30, 2008, but authorized by a resolution adopted under this section before July 1, 2008; or

(C) issued after June 30, 2008, in order to:

(i) fulfill the terms of agreements or pledges entered into before July 1, 2008, with the holders of bonds or other contractual obligations that were issued or entered into before July 1, 2008; or

(ii) otherwise prevent an impairment of the rights or remedies of the holders of bonds or other contractual obligations that were issued or entered into before July 1, 2008.

(m) If a debt service reserve is created from the proceeds of bonds, the debt service reserve may be used to pay principal and interest on the bonds as provided in the bond resolution.

(n) Any amount remaining in the debt service reserve after all of the bonds of the issue for which the debt service reserve was established have matured shall be:

(1) deposited in the allocation fund established under section 39(b)(2) of this chapter; **and**

(2) to the extent permitted by law, transferred to the county or municipality that established the department of redevelopment for use in reducing the county's or municipality's property tax levies for debt service.

(o) If bonds are issued under this chapter that are payable solely or in part from revenues to the redevelopment commission from a project or projects, the redevelopment commission may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects, but may not convey or mortgage any project or parts of a project. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the redevelopment commission. The redevelopment commission may establish fees and charges for the use of any project and covenant with the owners of any bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the redevelopment commission that are payable solely from revenues of the commission shall contain a statement to that effect in the form of bond.

(p) If the total principal amount of bonds authorized by a resolution of the redevelopment commission **adopted before July 1, 2008**, is equal to or greater than three million dollars (\$3,000,000), the bonds may not be issued without the approval, by resolution, of the legislative body of the unit. **Bonds authorized in any principal amount by a resolution of the redevelopment commission adopted after June 30, 2008, may not be issued without the approval of the legislative body of the unit.**

SECTION 248. IC 36-7-14-25.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 25.2. (a) A redevelopment commission may enter into a lease of any property that could be financed with the proceeds of bonds issued under this chapter with a lessor for a term not to exceed:

(1) fifty (50) years, and for a lease entered into before July 1, 2008; or

(2) twenty-five (25) years, for a lease entered into after June 30, 2008.

The lease may provide for payments to be made by the redevelopment commission from special benefits taxes levied under section 27 of this chapter, taxes allocated under section 39 of this chapter, any other revenues available to the redevelopment commission, or any combination of these sources.

(b) A lease may provide that payments by the redevelopment

1 commission to the lessor are required only to the extent and only for the
2 period that the lessor is able to provide the leased facilities in
3 accordance with the lease. The terms of each lease must be based upon
4 the value of the facilities leased and may not create a debt of the unit
5 or the district for purposes of the Constitution of the State of Indiana.

6 (c) A lease may be entered into by the redevelopment commission
7 only after a public hearing by the redevelopment commission at which
8 all interested parties are provided the opportunity to be heard. After the
9 public hearing, the redevelopment commission may adopt a resolution
10 authorizing the execution of the lease on behalf of the unit if it finds
11 that the service to be provided throughout the term of the lease will
12 serve the public purpose of the unit and is in the best interests of its
13 residents. Any lease approved by a resolution of the redevelopment
14 commission must be approved by an ordinance of the fiscal body of the
15 unit.

16 (d) Upon execution of a lease providing for payments by the
17 redevelopment commission in whole or in part from the levy of special
18 benefits taxes under section 27 of this chapter and upon approval of the
19 lease by the unit's fiscal body, the redevelopment commission shall
20 publish notice of the execution of the lease and its approval in
21 accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the
22 redevelopment district who will be affected by the lease and who may
23 be of the opinion that no necessity exists for the execution of the lease
24 or that the payments provided for in the lease are not fair and
25 reasonable may file a petition in the office of the county auditor within
26 thirty (30) days after the publication of the notice of execution and
27 approval. The petition must set forth the petitioners' names, addresses,
28 and objections to the lease and the facts showing that the execution of
29 the lease is unnecessary or unwise or that the payments provided for in
30 the lease are not fair and reasonable, as the case may be.

31 (e) Upon the filing of the petition, the county auditor shall
32 immediately certify a copy of it, together with such other data as may
33 be necessary in order to present the questions involved, to the
34 department of local government finance. Upon receipt of the certified
35 petition and information, the department of local government finance
36 shall fix a time and place for a hearing in the redevelopment district,
37 which must be not less than five (5) or more than thirty (30) days after
38 the time is fixed. Notice of the hearing shall be given by the department
39 of local government finance to the members of the fiscal body, to the
40 redevelopment commission, and to the first fifty (50) petitioners on the
41 petition by a letter signed by the commissioner or deputy commissioner
42 of the department and enclosed with fully prepaid postage sent to those
43 persons at their usual place of residence, at least five (5) days before
44 the date of the hearing. The decision of the department of local
45 government finance on the appeal, upon the necessity for the execution
46 of the lease, and as to whether the payments under it are fair and

1 reasonable, is final.

2 (f) A redevelopment commission entering into a lease payable from
3 allocated taxes under section 39 of this chapter or other available funds
4 of the redevelopment commission may:

5 (1) pledge the revenue to make payments under the lease pursuant
6 to IC 5-1-14-4; and

7 (2) establish a special fund to make the payments.

8 (g) Lease rentals may be limited to money in the special fund so that
9 the obligations of the redevelopment commission to make the lease
10 rental payments are not considered debt of the unit or the district for
11 purposes of the Constitution of the State of Indiana.

12 (h) Except as provided in this section, no approvals of any
13 governmental body or agency are required before the redevelopment
14 commission enters into a lease under this section.

15 (i) An action to contest the validity of the lease or to enjoin the
16 performance of any of its terms and conditions must be brought within
17 thirty (30) days after the publication of the notice of the execution and
18 approval of the lease. However, if the lease is payable in whole or in
19 part from tax levies and an appeal has been taken to the department of
20 local government finance, an action to contest the validity or enjoin the
21 performance must be brought within thirty (30) days after the decision
22 of the department.

23 (j) If a redevelopment commission exercises an option to buy a
24 leased facility from a lessor, the redevelopment commission may
25 subsequently sell the leased facility, without regard to any other statute,
26 to the lessor at the end of the lease term at a price set forth in the lease
27 or at fair market value established at the time of the sale by the
28 redevelopment commission through auction, appraisal, or arms length
29 negotiation. If the facility is sold at auction, after appraisal, or through
30 negotiation, the redevelopment commission shall conduct a hearing
31 after public notice in accordance with IC 5-3-1 before the sale. Any
32 action to contest the sale must be brought within fifteen (15) days of
33 the hearing.

34 SECTION 249. IC 36-7-14-27 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 27. (a) This section
36 applies only to:

37 (1) bonds that are issued under section 25.1 of this chapter; **and**

38 (2) leases entered into under section 25.2 of this chapter;

39 which are payable from a special tax levied upon all of the property in
40 the special taxing district. This section does not apply to bonds or
41 leases that are payable solely from tax proceeds allocated under section
42 39(b)(2) of this chapter, other revenues of the redevelopment
43 commission, or any combination of these sources.

44 (b) The redevelopment commission shall levy each year a special
45 tax on all of the property of the redevelopment taxing district, in such
46 a manner as to meet and pay the principal of the bonds as they mature,

1 together with all accruing interest on the bonds or lease rental
 2 payments under section 25.2 of this chapter. The commission shall
 3 cause the tax levied to be certified to the proper officers as other tax
 4 levies are certified, and to the auditor of the county in which the
 5 redevelopment district is located, before the second day of October in
 6 each year. The tax shall be estimated and entered on the tax duplicate
 7 by the county auditor and shall be collected and enforced by the county
 8 treasurer in the same manner as other state and county taxes are
 9 estimated, entered, collected, and enforced. The amount of the tax
 10 levied to pay bonds or lease rentals payable from the tax levied under
 11 this section shall be reduced by any amount available in the allocation
 12 fund established under section 39(b)(2) of this chapter or other
 13 revenues of the redevelopment commission to the extent such revenues
 14 have been set aside in the redevelopment bond fund.

15 (c) As the tax is collected, it shall be accumulated in a separate fund
 16 to be known as the redevelopment district bond fund and shall be
 17 applied to the payment of the bonds as they mature and the interest on
 18 the bonds as it accrues, or to make lease payments and to no other
 19 purpose. All accumulations of the fund before their use for the payment
 20 of bonds and interest or to make lease payments shall be deposited with
 21 the depository or depositories for other public funds of the unit in
 22 accordance with IC 5-13, unless they are invested under IC 5-13-9.

23 (d) If there are no outstanding bonds that are payable solely or in
 24 part from tax proceeds allocated under section 39(b)(2) of this chapter
 25 and that were issued to pay costs of redevelopment in an allocation area
 26 that is located wholly or in part in the special taxing district, then all
 27 proceeds from the sale or leasing of property in the allocation area
 28 under section 22 of this chapter shall be paid into the redevelopment
 29 district bond fund and become a part of that fund. In arriving at the tax
 30 levy for any year, the redevelopment commission ~~may~~ **shall** take into
 31 account the amount of the proceeds deposited under this subsection and
 32 remaining on hand.

33 (e) The tax levies provided for in this section are reviewable by
 34 other bodies vested by law with the authority to ascertain that the levies
 35 are sufficient to raise the amount that, with other amounts available, is
 36 sufficient to meet the payments under the lease payable from the levy
 37 of taxes.

38 SECTION 250. IC 36-7-14-32.5, AS AMENDED BY P.L.163-2006,
 39 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2008]: Sec. 32.5. (a) **Subject to the approval of the fiscal**
 41 **body of the unit that established the department of redevelopment,**
 42 the commission may acquire a parcel of real property by the exercise
 43 of eminent domain when the real property has all of the following
 44 characteristics:

- 45 (1) The real property meets at least one (1) of the conditions
 46 described in IC 32-24-4.5-7(1).

(2) The real property is capable of being developed or rehabilitated to provide affordable housing for low or moderate income families or to provide other development that will benefit or serve low or moderate income families.

(3) The condition of the real property has a negative impact on the use or value of the neighboring properties or other properties in the community.

(b) The commission or the commission's designated hearing examiner shall conduct a public meeting to determine whether a parcel of real property has the characteristics set forth in subsection (a). Each person holding a fee or life estate interest of record in the property must be given notice by first class mail of the time and date of the hearing at least ten (10) days before the hearing and is entitled to present evidence and make arguments at the hearing.

(c) If the commission considers it necessary to acquire real property under this section, the commission shall adopt a resolution setting out the commission's determination to exercise that power and directing the commission's attorney to file a petition in the name of the city on behalf of the department in the circuit or superior court with jurisdiction in the county.

(d) Eminent domain proceedings under this section are governed by IC 32-24.

(e) The commission shall use real property acquired under this section for one (1) of the following purposes:

(1) Sale in an urban homestead program under IC 36-7-17.

(2) Sale to a family whose income is at or below the county's median income for families.

(3) Sale or grant to a neighborhood development corporation with a condition in the granting clause of the deed requiring the nonprofit development corporation to lease or sell the property to a family whose income is at or below the county's median income for families or to cause development that will serve or benefit families whose income is at or below the unit's median income for families.

(4) Any other purpose appropriate under this chapter so long as it will serve or benefit families whose income is at or below the unit's median income for families.

(f) A neighborhood development corporation or nonprofit corporation that receives property under this section must agree to rehabilitate or otherwise develop the property in a manner that is similar to and consistent with the use of the other properties in the area served by the corporation.

SECTION 251. IC 36-7-14-35, AS AMENDED BY P.L.154-2006, SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 35. (a) **Subject to the approval of the fiscal body of the unit that established the department of redevelopment,**

1 **and** in order to:

- 2 (1) undertake survey and planning activities under this chapter;
- 3 (2) undertake and carry out any redevelopment project, urban
- 4 renewal project, or housing program;
- 5 (3) pay principal and interest on any advances;
- 6 (4) pay or retire any bonds and interest on them; or
- 7 (5) refund loans previously made under this section;

8 the redevelopment commission may apply for and accept advances,
 9 short term and long term loans, grants, contributions, and any other
 10 form of financial assistance from the federal government, or from any
 11 of its agencies. The commission may also enter into and carry out
 12 contracts and agreements in connection with that financial assistance
 13 upon the terms and conditions that the commission considers
 14 reasonable and appropriate, as long as those terms and conditions are
 15 not inconsistent with the purposes of this chapter. The provisions of
 16 such a contract or agreement in regard to the handling, deposit, and
 17 application of project funds, as well as all other provisions, are valid
 18 and binding on the unit or its executive departments and officers, as
 19 well as the commission, notwithstanding any other provision of this
 20 chapter.

21 (b) **Subject to the approval of the fiscal body of the unit that**
 22 **established the department of redevelopment,** the redevelopment
 23 commission may issue and sell bonds, notes, or warrants to the federal
 24 government to evidence short term or long term loans made under this
 25 section, without notice of sale being given or a public offering being
 26 made.

27 (c) Notwithstanding the provisions of this or any other chapter,
 28 bonds, notes, or warrants issued by the redevelopment commission
 29 under this section may:

- 30 (1) be in the amounts, form, or denomination;
- 31 (2) be either coupon or registered;
- 32 (3) carry conversion or other privileges;
- 33 (4) have a rank or priority;
- 34 (5) be of such description;
- 35 (6) be secured (subject to other provisions of this section) in such
- 36 manner;
- 37 (7) bear interest at a rate or rates;
- 38 (8) be payable as to both principal and interest in a medium of
- 39 payment, at a time or times (which may be upon demand) and at
- 40 a place or places;
- 41 (9) be subject to terms of redemption (with or without premium);
- 42 (10) contain or be subject to any covenants, conditions, and
- 43 provisions; and
- 44 (11) have any other characteristics;

45 that the commission considers reasonable and appropriate.

46 (d) Bonds, notes, or warrants issued under this section are not an

indebtedness of the unit or taxing district within the meaning of any constitutional or statutory limitation of indebtedness. The bonds, notes, or warrants are not payable from or secured by a levy of taxes, but are payable only from and secured only by income, funds, and properties of the project becoming available to the redevelopment commission under this chapter, as the commission specifies in the resolution authorizing their issuance.

(e) Bonds, notes, or warrants issued under this section are exempt from taxation for all purposes.

(f) Bonds, notes, or warrants issued under this section must be executed by the appropriate officers of the unit in the name of the "City (or Town or County) of _____, Department of Redevelopment", and must be attested by the appropriate officers of the unit.

(g) Following the adoption of the resolution authorizing the issuance of bonds, notes, or warrants under this section, the redevelopment commission shall certify a copy of that resolution to the officers of the unit who have duties with respect to bonds, notes, or warrants of the unit. At the proper time, the commission shall deliver to the officers the unexecuted bonds, notes, or warrants prepared for execution in accordance with the resolution.

(h) All bonds, notes, or warrants issued under this section shall be sold by the officers of the unit who have duties with respect to the sale of bonds, notes, or warrants of the unit. If an officer whose signature appears on any bonds, notes, or warrants issued under this section leaves office before their delivery, the signature remains valid and sufficient for all purposes as if the officer had remained in office until the delivery.

(i) If at any time during the life of a loan contract or agreement under this section the redevelopment commission can obtain loans for the purposes of this section from sources other than the federal government at interest rates not less favorable than provided in the loan contract or agreement, and if the loan contract or agreement so permits, the commission may do so and may pledge the loan contract and any rights under that contract as security for the repayment of the loans obtained from other sources. Any loan under this subsection may be evidenced by bonds, notes, or warrants issued and secured in the same manner as provided in this section for loans from the federal government. These bonds, notes, or warrants may be sold at either public or private sale, as the commission considers appropriate.

(j) Money obtained from the federal government or from other sources under this section, and money that is required by a contract or agreement under this section to be used for project expenditure purposes, repayment of survey and planning advances, or repayment of temporary or definitive loans, may be expended by the redevelopment commission without regard to any law pertaining to the making and

1 approval of budgets, appropriations, and expenditures.

2 (k) Bonds, notes, or warrants issued under this section are declared
3 to be issued for an essential public and governmental purpose.

4 SECTION 252. IC 36-7-14-39, AS AMENDED BY P.L.154-2006,
5 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2008]: Sec. 39. (a) As used in this section:

7 "Allocation area" means that part of a redevelopment project area
8 to which an allocation provision of a declaratory resolution adopted
9 under section 15 of this chapter refers for purposes of distribution and
10 allocation of property taxes.

11 "Base assessed value" means the following:

12 (1) If an allocation provision is adopted after June 30, 1995, in a
13 declaratory resolution or an amendment to a declaratory
14 resolution establishing an economic development area:

15 (A) the net assessed value of all the property as finally
16 determined for the assessment date immediately preceding the
17 effective date of the allocation provision of the declaratory
18 resolution, as adjusted under subsection (h); plus

19 (B) to the extent that it is not included in clause (A), the net
20 assessed value of property that is assessed as residential
21 property under the rules of the department of local government
22 finance, as finally determined for any assessment date after the
23 effective date of the allocation provision.

24 (2) If an allocation provision is adopted after June 30, 1997, in a
25 declaratory resolution or an amendment to a declaratory
26 resolution establishing a redevelopment project area:

27 (A) the net assessed value of all the property as finally
28 determined for the assessment date immediately preceding the
29 effective date of the allocation provision of the declaratory
30 resolution, as adjusted under subsection (h); plus

31 (B) to the extent that it is not included in clause (A), the net
32 assessed value of property that is assessed as residential
33 property under the rules of the department of local government
34 finance, as finally determined for any assessment date after the
35 effective date of the allocation provision.

36 (3) If:

37 (A) an allocation provision adopted before June 30, 1995, in
38 a declaratory resolution or an amendment to a declaratory
39 resolution establishing a redevelopment project area expires
40 after June 30, 1997; and

41 (B) after June 30, 1997, a new allocation provision is included
42 in an amendment to the declaratory resolution;

43 the net assessed value of all the property as finally determined for
44 the assessment date immediately preceding the effective date of
45 the allocation provision adopted after June 30, 1997, as adjusted
46 under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 39.3 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. **that For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the allocation provision is established. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to**

the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;

or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements ~~in or serving that~~ **are physically located in or physically connected to** that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) ~~in or serving that~~ **are physically located in or**

physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility ~~in or serving~~ **that is physically located in or physically connected to** that allocation area under any lease entered into under IC 36-1-10.

(I) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the

1 allocation fund that is attributable to property taxes paid by the
 2 industrial facilities described in this clause. The
 3 reimbursements under this clause must be made within three
 4 (3) years after the date on which the investments that are the
 5 basis for the increment financing are made.

6 The allocation fund may not be used for operating expenses of the
 7 commission.

8 (3) Except as provided in subsection (g), before July 15 of each
 9 year the commission shall do the following:

10 (A) Determine the amount, if any, by which the ~~base~~ assessed
 11 value **of the taxable property in the allocation area**, when
 12 multiplied by the estimated tax rate of the allocation area, will
 13 exceed the amount of assessed value needed to produce the
 14 property taxes necessary to make, when due, principal and
 15 interest payments on bonds described in subdivision (2) plus
 16 the amount necessary for other purposes described in
 17 subdivision (2).

18 (B) ~~Notify~~ **Provide a written notice to** the county auditor, ~~of~~
 19 **the fiscal body of the county or municipality that**
 20 **established the department of redevelopment, and the**
 21 **officers who are authorized to fix budgets, tax rates, and**
 22 **tax levies under IC 6-1.1-17-5 for each of the other taxing**
 23 **units that is wholly or partly located within the allocation**
 24 **area. The notice must:**

25 (i) ~~state~~ the amount, if any, of ~~the amount of~~ excess assessed
 26 value that the commission has determined may be allocated
 27 to the respective taxing units in the manner prescribed in
 28 subdivision (1); **or**

29 (ii) **state that the commission has determined that there**
 30 **is no excess assessed value that may be allocated to the**
 31 **respective taxing units in the manner prescribed in**
 32 **subdivision (1).**

33 **The county auditor shall allocate to the respective taxing**
 34 **units the amount, if any, of excess assessed value**
 35 **determined by the commission.** The commission may not
 36 authorize an allocation of assessed value to the respective
 37 taxing units under this subdivision if to do so would endanger
 38 the interests of the holders of bonds described in subdivision
 39 (2) or lessors under section 25.3 of this chapter.

40 (c) For the purpose of allocating taxes levied by or for any taxing
 41 unit or units, the assessed value of taxable property in a territory in the
 42 allocation area that is annexed by any taxing unit after the effective
 43 date of the allocation provision of the declaratory resolution is the
 44 lesser of:

45 (1) the assessed value of the property for the assessment date with
 46 respect to which the allocation and distribution is made; or

1 (2) the base assessed value.

2 (d) Property tax proceeds allocable to the redevelopment district
3 under subsection (b)(2) may, subject to subsection (b)(3), be
4 irrevocably pledged by the redevelopment district for payment as set
5 forth in subsection (b)(2).

6 (e) Notwithstanding any other law, each assessor shall, upon
7 petition of the redevelopment commission, reassess the taxable
8 property situated upon or in, or added to, the allocation area, effective
9 on the next assessment date after the petition.

10 (f) Notwithstanding any other law, the assessed value of all taxable
11 property in the allocation area, for purposes of tax limitation, property
12 tax replacement, and formulation of the budget, tax rate, and tax levy
13 for each political subdivision in which the property is located is the
14 lesser of:

15 (1) the assessed value of the property as valued without regard to
16 this section; or

17 (2) the base assessed value.

18 (g) If any part of the allocation area is located in an enterprise zone
19 created under IC 5-28-15, the unit that designated the allocation area
20 shall create funds as specified in this subsection. A unit that has
21 obligations, bonds, or leases payable from allocated tax proceeds under
22 subsection (b)(2) shall establish an allocation fund for the purposes
23 specified in subsection (b)(2) and a special zone fund. Such a unit
24 shall, until the end of the enterprise zone phase out period, deposit each
25 year in the special zone fund any amount in the allocation fund derived
26 from property tax proceeds in excess of those described in subsection
27 (b)(1) from property located in the enterprise zone that exceeds the
28 amount sufficient for the purposes specified in subsection (b)(2) for the
29 year. The amount sufficient for purposes specified in subsection (b)(2)
30 for the year shall be determined based on the pro rata portion of such
31 current property tax proceeds from the part of the enterprise zone that
32 is within the allocation area as compared to all such current property
33 tax proceeds derived from the allocation area. A unit that has no
34 obligations, bonds, or leases payable from allocated tax proceeds under
35 subsection (b)(2) shall establish a special zone fund and deposit all the
36 property tax proceeds in excess of those described in subsection (b)(1)
37 in the fund derived from property tax proceeds in excess of those
38 described in subsection (b)(1) from property located in the enterprise
39 zone. The unit that creates the special zone fund shall use the fund
40 (based on the recommendations of the urban enterprise association) for
41 programs in job training, job enrichment, and basic skill development
42 that are designed to benefit residents and employers in the enterprise
43 zone or other purposes specified in subsection (b)(2), except that where
44 reference is made in subsection (b)(2) to allocation area it shall refer
45 for purposes of payments from the special zone fund only to that part
46 of the allocation area that is also located in the enterprise zone. Those

1 programs shall reserve at least one-half (1/2) of their enrollment in any
2 session for residents of the enterprise zone.

3 (h) The state board of accounts and department of local government
4 finance shall make the rules and prescribe the forms and procedures
5 that they consider expedient for the implementation of this chapter.
6 After each general reassessment under IC 6-1.1-4, the department of
7 local government finance shall adjust the base assessed value one (1)
8 time to neutralize any effect of the general reassessment on the
9 property tax proceeds allocated to the redevelopment district under this
10 section. After each annual adjustment under IC 6-1.1-4-4.5, the
11 department of local government finance shall adjust the base assessed
12 value one (1) time to neutralize any effect of the annual adjustment on
13 the property tax proceeds allocated to the redevelopment district under
14 this section. However, the adjustments under this subsection may not
15 include the effect of property tax abatements under IC 6-1.1-12.1, and
16 these adjustments may not produce less property tax proceeds allocable
17 to the redevelopment district under subsection (b)(2) than would
18 otherwise have been received if the general reassessment or annual
19 adjustment had not occurred. The department of local government
20 finance may prescribe procedures for county and township officials to
21 follow to assist the department in making the adjustments.

22 (i) The allocation deadline referred to in subsection (b) is
23 determined in the following manner:

24 (1) The initial allocation deadline is December 31, 2011.

25 (2) Subject to subdivision (3), the initial allocation deadline and
26 subsequent allocation deadlines are automatically extended in
27 increments of five (5) years, so that allocation deadlines
28 subsequent to the initial allocation deadline fall on December 31,
29 2016, and December 31 of each fifth year thereafter.

30 (3) At least one (1) year before the date of an allocation deadline
31 determined under subdivision (2), the general assembly may enact
32 a law that:

33 (A) terminates the automatic extension of allocation deadlines
34 under subdivision (2); and

35 (B) specifically designates a particular date as the final
36 allocation deadline.

37 SECTION 253. IC 36-7-14-41 IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 41. (a) The commission
39 may, by following the procedures set forth in sections 15 through 17 of
40 this chapter, approve a plan for and determine that a geographic area
41 in the redevelopment district is an economic development area.
42 Designation of an economic development area is subject to judicial
43 review in the manner prescribed in section 18 of this chapter.

44 (b) The commission may determine that a geographic area is an
45 economic development area if it finds that:

46 (1) the plan for the economic development area:

- 1 (A) promotes significant opportunities for the gainful
- 2 employment of its citizens;
- 3 (B) attracts a major new business enterprise to the unit;
- 4 (C) retains or expands a significant business enterprise
- 5 existing in the boundaries of the unit; or
- 6 (D) meets other purposes of this section and sections 2.5 and
- 7 43 of this chapter;
- 8 (2) the plan for the economic development area cannot be
- 9 achieved by regulatory processes or by the ordinary operation of
- 10 private enterprise without resort to the powers allowed under this
- 11 section and sections 2.5 and 43 of this chapter because of:
- 12 (A) lack of local public improvement;
- 13 (B) existence of improvements or conditions that lower the
- 14 value of the land below that of nearby land;
- 15 (C) multiple ownership of land; or
- 16 (D) other similar conditions;
- 17 (3) the public health and welfare will be benefited by
- 18 accomplishment of the plan for the economic development area;
- 19 (4) the accomplishment of the plan for the economic development
- 20 area will be a public utility and benefit as measured by:
- 21 (A) the attraction or retention of permanent jobs;
- 22 (B) an increase in the property tax base;
- 23 (C) improved diversity of the economic base; or
- 24 (D) other similar public benefits; and
- 25 (5) the plan for the economic development area conforms to other
- 26 development and redevelopment plans for the unit.
- 27 (c) The determination that a geographic area is an economic
- 28 development area must be approved by the unit's legislative body. The
- 29 approval may be given either before or after judicial review is
- 30 requested. The requirement that the unit's legislative body approve
- 31 economic development areas does not prevent the commission from
- 32 amending the plan for the economic development area. However, the
- 33 enlargement of any boundary in the economic development area must
- 34 be approved by the unit's legislative body, **and a boundary may not**
- 35 **be enlarged unless the existing area does not generate sufficient**
- 36 **revenue to meet the financial obligations of the original project.**
- 37 SECTION 254. IC 36-7-14-43, AS AMENDED BY P.L.185-2005,
- 38 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 39 JULY 1, 2008]: Sec. 43. (a) All of the rights, powers, privileges, and
- 40 immunities that may be exercised by the commission in a
- 41 redevelopment project area or urban renewal area may be exercised by
- 42 the commission in an economic development area, subject to the
- 43 following:
- 44 (1) The content and manner of exercise of these rights, powers,
- 45 privileges, and immunities shall be determined by the purposes
- 46 and nature of an economic development area.

(2) Real property (or interests in real property) relative to which action is taken in an economic development area is not required to meet the conditions described in IC 36-7-1-3.

(3) The special tax levied in accordance with section 27 of this chapter may be used to carry out activities under this chapter in economic development areas.

(4) Bonds may be issued in accordance with section 25.1 of this chapter to defray expenses of carrying out activities under this chapter in economic development areas **if no other revenue sources are available for this purpose.**

(5) The tax exemptions set forth in section 37 of this chapter are applicable in economic development areas.

(6) An economic development area may be an allocation area for the purposes of distribution and allocation of property taxes.

(7) The commission may not use its power of eminent domain under section 20 of this chapter to carry out activities under this chapter in an economic development area.

(b) The content and manner of discharge of duties set forth in section 11 of this chapter shall be determined by the purposes and nature of an economic development area.

SECTION 255. IC 36-7-14-48, AS AMENDED BY P.L.219-2007, SECTION 126, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 48. (a) Notwithstanding section 39(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 45 of this chapter, "base assessed value" means the net assessed value of all of the property, other than personal property, as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 39(h) of this chapter.

(b) The allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

(1) The construction, rehabilitation, or repair of residential units within the allocation area.

(2) The construction, reconstruction, or repair of any infrastructure (including streets, sidewalks, and sewers) within or serving the allocation area.

(3) The acquisition of real property and interests in real property within the allocation area.

(4) The demolition of real property within the allocation area.

(5) The provision of financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's

median income for individuals and families, respectively.

(6) The provision of financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) Providing each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, the commission may provide this credit only if the municipal legislative body (in the case of a redevelopment commission established by a municipality) or the county executive (in the case of a redevelopment commission established by a county) establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 45 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4(a)(1) that is attributable to the taxing district; by

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

(d) The commission may determine to grant to taxpayers in an allocation area from its allocation fund a credit under this section, as calculated under subsection (c). Except as provided in subsection (g), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in a year. The commission must provide for the credit annually by a resolution and must find in the resolution the following:

(1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations from the fund, plus ten percent (10%) of those amounts.

(2) If bonds payable from the fund are outstanding, that there is a debt service reserve for the bonds that at least equals the amount of the credit to be granted.

(3) If bonds of a lessor under section 25.2 of this chapter or under

IC 36-1-10 are outstanding and if lease rentals are payable from the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

If the tax increment is insufficient to grant the credit in full, the commission may grant the credit in part, prorated among all taxpayers.

(e) Notwithstanding section 39(b) of this chapter, the allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may only be used to do one (1) or more of the following:

(1) Accomplish one (1) or more of the actions set forth in section 39(b)(2)(A) through 39(b)(2)(H) and 39(b)(2)(J) of this chapter for property that is residential in nature.

(2) Reimburse the county or municipality for expenditures made by the county or municipality in order to accomplish the housing program in that allocation area.

The allocation fund may not be used for operating expenses of the commission.

(f) Notwithstanding section 39(b) of this chapter, the commission shall, relative to the allocation fund established under section 39(b) of this chapter for an allocation area for a program adopted under section 45 of this chapter, do the following before July 15 of each year:

(1) Determine the amount, if any, by which ~~property taxes payable to the allocation fund in the following year~~ **the assessed value of the taxable property in the allocation area, when multiplied by the estimated tax rate of the allocation area,** will exceed the amount of **assessed value needed to produce the** property taxes necessary:

(A) to make, when due, principal and interest payments on bonds described in section 39(b)(2) of this chapter;

(B) to pay the amount necessary for other purposes described in section 39(b)(2) of this chapter; and

(C) to reimburse the county or municipality for anticipated expenditures described in subsection (e)(2).

~~(2) Notify~~ **Provide a written notice to the county auditor, of the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:**

(A) state the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 39(b)(1) of this chapter; **or**

(B) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in

1 **subdivision (1).**

2 **The county auditor shall allocate to the respective taxing units**
 3 **the amount, if any, of excess assessed value determined by the**
 4 **commission.**

5 (g) This subsection applies to an allocation area only to the extent
 6 that the net assessed value of property that is assessed as residential
 7 property under the rules of the department of local government finance
 8 is not included in the base assessed value. If property tax installments
 9 with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in
 10 installments established by the department of local government finance
 11 under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an
 12 allocation area is entitled to an additional credit under subsection (d)
 13 for the taxes (as defined in IC 6-1.1-21-2) due in installments. The
 14 credit shall be applied in the same proportion to each installment of
 15 taxes (as defined in IC 6-1.1-21-2).

16 SECTION 256. IC 36-7-14.5-12.5, AS AMENDED BY
 17 P.L.219-2007, SECTION 127, IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 12.5. (a) This section
 19 applies only to an authority in a county having a United States
 20 government military base that is scheduled for closing or is completely
 21 or partially inactive or closed.

22 (b) In order to accomplish the purposes set forth in section 11 of this
 23 chapter, an authority may create an economic development area:

24 (1) by following the procedures set forth in IC 36-7-14-41 for the
 25 establishment of an economic development area by a
 26 redevelopment commission; and

27 (2) with the same effect as if the economic development area was
 28 created by a redevelopment commission.

29 The area established under this section shall be established only in the
 30 area where a United States government military base that is scheduled
 31 for closing or is completely or partially inactive or closed is or was
 32 located.

33 (c) In order to accomplish the purposes set forth in section 11 of this
 34 chapter, an authority may do the following in a manner that serves an
 35 economic development area created under this section:

36 (1) Acquire by purchase, exchange, gift, grant, condemnation, or
 37 lease, or any combination of methods, any personal property or
 38 interest in real property needed for the redevelopment of
 39 economic development areas located within the corporate
 40 boundaries of the unit.

41 (2) Hold, use, sell (by conveyance by deed, land sale contract, or
 42 other instrument), exchange, lease, rent, or otherwise dispose of
 43 property acquired for use in the redevelopment of economic
 44 development areas on the terms and conditions that the authority
 45 considers best for the unit and the unit's inhabitants.

46 (3) Sell, lease, or grant interests in all or part of the real property

- 1 acquired for redevelopment purposes to any other department of
- 2 the unit or to any other governmental agency for public ways,
- 3 levees, sewerage, parks, playgrounds, schools, and other public
- 4 purposes on any terms that may be agreed on.
- 5 (4) Clear real property acquired for redevelopment purposes.
- 6 (5) Repair and maintain structures acquired for redevelopment
- 7 purposes.
- 8 (6) Remodel, rebuild, enlarge, or make major structural
- 9 improvements on structures acquired for redevelopment purposes.
- 10 (7) Survey or examine any land to determine whether the land
- 11 should be included within an economic development area to be
- 12 acquired for redevelopment purposes and to determine the value
- 13 of that land.
- 14 (8) Appear before any other department or agency of the unit, or
- 15 before any other governmental agency in respect to any matter
- 16 affecting:
- 17 (A) real property acquired or being acquired for
- 18 redevelopment purposes; or
- 19 (B) any economic development area within the jurisdiction of
- 20 the authority.
- 21 (9) Institute or defend in the name of the unit any civil action, but
- 22 all actions against the authority must be brought in the circuit or
- 23 superior court of the county where the authority is located.
- 24 (10) Use any legal or equitable remedy that is necessary or
- 25 considered proper to protect and enforce the rights of and perform
- 26 the duties of the authority.
- 27 (11) Exercise the power of eminent domain in the name of and
- 28 within the corporate boundaries of the unit subject to the same
- 29 conditions and procedures that apply to the exercise of the power
- 30 of eminent domain by a redevelopment commission under
- 31 IC 36-7-14.
- 32 (12) Appoint an executive director, appraisers, real estate experts,
- 33 engineers, architects, surveyors, and attorneys.
- 34 (13) Appoint clerks, guards, laborers, and other employees the
- 35 authority considers advisable, except that those appointments
- 36 must be made in accordance with the merit system of the unit if
- 37 such a system exists.
- 38 (14) Prescribe the duties and regulate the compensation of
- 39 employees of the authority.
- 40 (15) Provide a pension and retirement system for employees of
- 41 the authority by using the public employees' retirement fund or a
- 42 retirement plan approved by the United States Department of
- 43 Housing and Urban Development.
- 44 (16) Discharge and appoint successors to employees of the
- 45 authority subject to subdivision (13).
- 46 (17) Rent offices for use of the department or authority, or accept

1 the use of offices furnished by the unit.

2 (18) Equip the offices of the authority with the necessary
3 furniture, furnishings, equipment, records, and supplies.

4 (19) Design, order, contract for, and construct, reconstruct,
5 improve, or renovate the following:

6 (A) Any local public improvement or structure that is
7 necessary for redevelopment purposes or economic
8 development within the corporate boundaries of the unit.

9 (B) Any structure that enhances development or economic
10 development.

11 (20) Contract for the construction, extension, or improvement of
12 pedestrian skyways (as defined in IC 36-7-14-12.2(c)).

13 (21) Accept loans, grants, and other forms of financial assistance
14 from, or contract with, the federal government, the state
15 government, a municipal corporation, a special taxing district, a
16 foundation, or any other source.

17 (22) Make and enter into all contracts and agreements necessary
18 or incidental to the performance of the duties of the authority and
19 the execution of the powers of the authority under this chapter.

20 (23) Take any action necessary to implement the purpose of the
21 authority.

22 (24) Provide financial assistance, in the manner that best serves
23 the purposes set forth in section 11 of this chapter, including
24 grants and loans, to enable private enterprise to develop,
25 redevelop, and reuse military base property or otherwise enable
26 private enterprise to provide social and economic benefits to the
27 citizens of the unit.

28 (d) An authority may designate all or a portion of an economic
29 development area created under this section as an allocation area by
30 following the procedures set forth in IC 36-7-14-39 for the
31 establishment of an allocation area by a redevelopment commission.
32 The allocation provision may modify the definition of "property taxes"
33 under IC 36-7-14-39(a) to include taxes imposed under IC 6-1.1 on the
34 depreciable personal property located and taxable on the site of
35 operations of designated taxpayers in accordance with the procedures
36 applicable to a commission under IC 36-7-14-39.3. IC 36-7-14-39.3
37 applies to such a modification. An allocation area established by an
38 authority under this section is a special taxing district authorized by the
39 general assembly to enable the unit to provide special benefits to
40 taxpayers in the allocation area by promoting economic development
41 that is of public use and benefit. For allocation areas established for an
42 economic development area created under this section after June 30,
43 1997, and to the expanded portion of an allocation area for an
44 economic development area that was established before June 30, 1997,
45 and that is expanded under this section after June 30, 1997, the net
46 assessed value of property that is assessed as residential property under

the rules of the department of local government finance, as finally determined for any assessment date, must be allocated. All of the provisions of IC 36-7-14-39 ~~IC 36-7-14-39.1~~, and IC 36-7-14-39.5 apply to an allocation area created under this section, except that the authority shall be vested with the rights and duties of a commission as referenced in those sections, and except that, notwithstanding IC 36-7-14-39(b)(2), property tax proceeds paid into the allocation fund may be used by the authority only to do one (1) or more of the following:

(1) Pay the principal of and interest and redemption premium on any obligations incurred by the special taxing district or any other entity for the purpose of financing or refinancing military base reuse activities in or serving or benefiting that allocation area.

(2) Establish, augment, or restore the debt service reserve for obligations payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the authority (including lease rental revenues).

(3) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(4) Reimburse any other governmental body for expenditures made by it for local public improvements or structures in or serving or benefiting that allocation area.

(5) Subject to the approval of the legislative body of the unit that established the authority, pay all or a portion of a property tax replacement credit to taxpayers in an allocation area as determined by the authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in

1 full, each taxpayer in the allocation area is entitled to receive the
 2 same proportion of the credit. A taxpayer may not receive a credit
 3 under this section and a credit under IC 36-7-14-39.5 in the same
 4 year.

5 (6) Pay expenses incurred by the authority for local public
 6 improvements or structures that are in the allocation area or
 7 serving or benefiting the allocation area.

8 (7) Reimburse public and private entities for expenses incurred in
 9 training employees of industrial facilities that are located:

10 (A) in the allocation area; and

11 (B) on a parcel of real property that has been classified as
 12 industrial property under the rules of the department of local
 13 government finance.

14 However, the total amount of money spent for this purpose in any
 15 year may not exceed the total amount of money in the allocation
 16 fund that is attributable to property taxes paid by the industrial
 17 facilities described in clause (B). The reimbursements under this
 18 subdivision must be made within three (3) years after the date on
 19 which the investments that are the basis for the increment
 20 financing are made. The allocation fund may not be used for
 21 operating expenses of the authority.

22 (e) In addition to other methods of raising money for property
 23 acquisition, redevelopment, or economic development activities in or
 24 directly serving or benefitting an economic development area created
 25 by an authority under this section, and in anticipation of the taxes
 26 allocated under subsection (d), other revenues of the authority, or any
 27 combination of these sources, the authority may, by resolution, issue
 28 the bonds of the special taxing district in the name of the unit. Bonds
 29 issued under this section may be issued in any amount without
 30 limitation. The following apply if such a resolution is adopted:

31 (1) The authority shall certify a copy of the resolution authorizing
 32 the bonds to the municipal or county fiscal officer, who shall then
 33 prepare the bonds. The seal of the unit must be impressed on the
 34 bonds, or a facsimile of the seal must be printed on the bonds.

35 (2) The bonds must be executed by the appropriate officer of the
 36 unit and attested by the unit's fiscal officer.

37 (3) The bonds are exempt from taxation for all purposes.

38 (4) Bonds issued under this section may be sold at public sale in
 39 accordance with IC 5-1-11 or at a negotiated sale.

40 (5) The bonds are not a corporate obligation of the unit but are an
 41 indebtedness of the taxing district. The bonds and interest are
 42 payable, as set forth in the bond resolution of the authority:

43 (A) from the tax proceeds allocated under subsection (d);

44 (B) from other revenues available to the authority; or

45 (C) from a combination of the methods stated in clauses (A)
 46 and (B).

(6) Proceeds from the sale of bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years from the date of issuance.

(7) Laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers and voters to remonstrate against the issuance of bonds ~~do not~~ apply to bonds issued under this section. **However, this subdivision does not apply to bonds that were:**

(A) issued before July 1, 2008;

(B) issued after June 30, 2008, but authorized by a resolution adopted under this section before July 1, 2008; or

(C) issued after June 30, 2008, in order to:

(i) fulfill the terms of agreements or pledges entered into before July 1, 2008, with the holders of bonds or other contractual obligations that were issued or entered into before July 1, 2008; or

(ii) otherwise prevent an impairment of the rights or remedies of the holders of bonds or other contractual obligations that were issued or entered into before July 1, 2008.

(8) If a debt service reserve is created from the proceeds of bonds, the debt service reserve may be used to pay principal and interest on the bonds as provided in the bond resolution.

(9) If bonds are issued under this chapter that are payable solely or in part from revenues to the authority from a project or projects, the authority may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority. The authority may establish fees and charges for the use of any project and covenant with the owners of any bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the authority that are payable solely from revenues of the authority shall contain a statement to that effect in the form of bond.

(f) Notwithstanding section 8(a) of this chapter, an ordinance adopted under section 11 of this chapter may provide, or be amended to provide, that the board of directors of the authority shall be composed of not fewer than three (3) nor more than eleven (11) members, who must be residents of the unit appointed by the executive of the unit.

(g) The acquisition of real and personal property by an authority under this section is not subject to the provisions of IC 5-22, IC 36-1-10.5, IC 36-7-14-19, or any other statutes governing the purchase of property by public bodies or their agencies.

(h) An authority may negotiate for the sale, lease, or other disposition of real and personal property without complying with the provisions of IC 5-22-22, IC 36-1-11, IC 36-7-14-22, or any other statute governing the disposition of public property.

(i) Notwithstanding any other law, utility services provided within an economic development area established under this section are subject to regulation by the appropriate regulatory agencies unless the utility service is provided by a utility that provides utility service solely within the geographic boundaries of an existing or a closed military installation, in which case the utility service is not subject to regulation for purposes of rate making, regulation, service delivery, or issuance of bonds or other forms of indebtedness. However, this exemption from regulation does not apply to utility service if the service is generated, treated, or produced outside the boundaries of the existing or closed military installation.

SECTION 257. IC 36-7-15.1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. A member of the commission **or a nonvoting adviser appointed under IC 36-7-4-207** may not have a pecuniary interest in any contract, employment, purchase, or sale made under this chapter. However, any property required for redevelopment purposes in which a member **or nonvoting adviser** has a pecuniary interest may be acquired but only by gift or condemnation.

SECTION 258. IC 36-7-15.1-7, AS AMENDED BY P.L.221-2007, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) In carrying out its duties and purposes under this chapter, the commission may do the following:

(1) Acquire by purchase, exchange, gift, grant, lease, or condemnation, or any combination of methods, any real or personal property or interest in property needed for the redevelopment of areas needing redevelopment that are located within the redevelopment district.

(2) Hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, invest in, or otherwise dispose of, through any combination of methods, property acquired for use in the redevelopment of areas needing redevelopment on the terms and conditions that the commission considers best for the city and its inhabitants.

(3) Acquire from and sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the city, or to any other governmental agency, for public ways, levees, sewerage, parks, playgrounds, schools,

and other public purposes, on any terms that may be agreed upon.

(4) Clear real property acquired for redevelopment purposes.

(5) Enter on or into, inspect, investigate, and assess real property and structures acquired or to be acquired for redevelopment purposes to determine the existence, source, nature, and extent of any environmental contamination, including the following:

(A) Hazardous substances.

(B) Petroleum.

(C) Other pollutants.

(6) Remediate environmental contamination, including the following, found on any real property or structures acquired for redevelopment purposes:

(A) Hazardous substances.

(B) Petroleum.

(C) Other pollutants.

(7) Repair and maintain structures acquired or to be acquired for redevelopment purposes.

(8) Enter upon, survey, or examine any land, to determine whether it should be included within an area needing redevelopment to be acquired for redevelopment purposes, and determine the value of that land.

(9) Appear before any other department or agency of the city, or before any other governmental agency in respect to any matter affecting:

(A) real property acquired or being acquired for redevelopment purposes; or

(B) any area needing redevelopment within the jurisdiction of the commission.

(10) **Subject to section 13 of this chapter**, exercise the power of eminent domain in the name of the city, within the redevelopment district, in the manner prescribed by this chapter.

(11) Establish a uniform fee schedule whenever appropriate for the performance of governmental assistance, or for providing materials and supplies to private persons in project or program related activities.

(12) Expend, on behalf of the redevelopment district, all or any part of the money available for the purposes of this chapter.

(13) Contract for the construction, extension, or improvement of pedestrian skyways.

(14) Accept loans, grants, and other forms of financial assistance from the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.

(15) Provide financial assistance (including grants and loans) to enable individuals and families to purchase or lease residential units within the district. However, financial assistance may be

provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(16) Provide financial assistance (including grants and loans) to neighborhood development corporations to permit them to:

(A) provide financial assistance for the purposes described in subdivision (15); or

(B) construct, rehabilitate, or repair commercial property within the district.

(17) Require as a condition of financial assistance to the owner of a multiunit residential structure that any of the units leased by the owner must be leased:

(A) for a period to be determined by the commission, which may not be less than five (5) years;

(B) to families whose income does not exceed eighty percent (80%) of the county's median income for families; and

(C) at an affordable rate.

Conditions imposed by the commission under this subdivision remain in force throughout the period determined under clause (A), even if the owner sells, leases, or conveys the property. The subsequent owner or lessee is bound by the conditions for the remainder of the period.

(18) Provide programs in job training, job enrichment, and basic skill development for residents of an enterprise zone.

(19) Provide loans and grants for the purpose of stimulating business activity in an enterprise zone or providing employment for residents of an enterprise zone.

(20) Contract for the construction, extension, or improvement of:

(A) public ways, sidewalks, sewers, waterlines, parking facilities, park or recreational areas, or other local public improvements (as defined in IC 36-7-15.3-6) or structures that are necessary for redevelopment of areas needing redevelopment or economic development within the redevelopment district; or

(B) any structure that enhances development or economic development.

(b) In addition to its powers under subsection (a), the commission may plan and undertake, alone or in cooperation with other agencies, projects for the redevelopment of, rehabilitating, preventing the spread of, or eliminating slums or areas needing redevelopment, both residential and nonresidential, which projects may include any of the following:

(1) The repair or rehabilitation of buildings or other improvements by the commission, owners, or tenants.

(2) The acquisition of real property.

(3) Either of the following with respect to environmental

contamination on real property:

(A) Investigation.

(B) Remediation.

(4) The demolition and removal of buildings or improvements on buildings acquired by the commission where necessary for any of the following:

(A) To eliminate unhealthful, unsanitary, or unsafe conditions.

(B) To mitigate or eliminate environmental contamination.

(C) To lessen density.

(D) To reduce traffic hazards.

(E) To eliminate obsolete or other uses detrimental to public welfare.

(F) To otherwise remove or prevent the conditions described in IC 36-7-1-3.

(G) To provide land for needed public facilities.

(5) The preparation of sites and the construction of improvements (such as public ways and utility connections) to facilitate the sale or lease of property.

(6) The construction of buildings or facilities for residential, commercial, industrial, public, or other uses.

(7) The disposition in accordance with this chapter, for uses in accordance with the plans for the projects, of any property acquired in connection with the projects.

(c) The commission may use its powers under this chapter relative to real property and interests in real property obtained by voluntary sale or transfer, even though the real property and interests in real property are not located in a redevelopment or urban renewal project area established by the adoption and confirmation of a resolution under sections 8(c), 9, 10, and 11 of this chapter. In acquiring real property and interests in real property outside of a redevelopment or urban renewal project area, the commission shall comply with section 12(b) through 12(e) of this chapter. The commission shall hold, develop, use, and dispose of this real property and interests in real property substantially in accordance with section 15 of this chapter.

(d) As used in this section, "pedestrian skyway" means a pedestrian walkway within or outside of the public right-of-way and through and above public or private property and buildings, including all structural supports required to connect skyways to buildings or buildings under construction. Pedestrian skyways constructed, extended, or improved over or through public or private property constitute public property and public improvements, constitute a public use and purpose, and do not require vacation of any public way or other property.

(e) All powers that may be exercised under this chapter by the commission may also be exercised by the commission in carrying out its duties and purposes under IC 36-7-15.3.

SECTION 259. IC 36-7-15.1-8, AS AMENDED BY P.L.185-2005,

SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) Whenever the commission finds that:

- (1) an area in the redevelopment district is an area needing redevelopment;
- (2) the conditions described in IC 36-7-1-3 cannot be corrected in the area by regulatory processes or by the ordinary operations of private enterprise without resort to this chapter; and
- (3) the public health and welfare will be benefited by:
 - (A) the acquisition and redevelopment of the area under this chapter **as a redevelopment project area or an urban renewal area; or**
 - (B) **the amendment of the resolution or plan, or both, for an existing redevelopment project area or urban renewal area; and**
- (4) **in the case of an amendment to the resolution or plan for an existing redevelopment project area or urban renewal area:**
 - (A) **the amendment is reasonable and appropriate when considered in relation to the original resolution or plan and the purposes of this chapter;**
 - (B) **the resolution or plan, with the proposed amendment, conforms to the comprehensive plan for the unit; and**
 - (C) **if the amendment enlarges the boundaries of the area, the existing area does not generate sufficient revenue to meet the financial obligations of the original project;**

the commission shall cause to be prepared a redevelopment or urban renewal plan.

(b) The redevelopment or urban renewal plan must include:

- (1) maps, plats, or maps and plats, showing:
 - (A) the boundaries of the area ~~needing redevelopment, in which property would be acquired for, or otherwise affected by, the establishment of a redevelopment project area or urban renewal area, or the amendment of the resolution or plan for an existing area;~~
 - (B) the location of the various parcels of property, public ways, and other features affecting the acquisition, clearance, replatting, replanning, rezoning, or redevelopment of the area or areas, indicating any parcels of property to be excluded from the acquisition **or otherwise excluded from the effects of the establishment of the redevelopment project area or the amendment of the resolution or plan for an existing area; and**
 - ~~(B)~~ (C) the parts of the area acquired that are to be devoted to public ways, levees, sewerage, parks, playgrounds, and other public purposes;
- (2) lists of the owners of the various parcels of property proposed

to be acquired **for, or otherwise affected by, the establishment of an area or the amendment of the resolution or plan for an existing area;** and

(3) an estimate of the ~~cost of~~ **costs, if any, to be incurred for the acquisition and redevelopment of property.**

(c) This subsection applies to the initial establishment of a redevelopment project area or urban renewal area. After completion of the data required by subsection (b), the commission shall adopt a resolution declaring that:

(1) the area needing redevelopment is a detriment to the social or economic interests of the consolidated city and its inhabitants;

(2) it will be of public utility and benefit to acquire the area and redevelop it under this chapter; and

(3) the area is designated as a redevelopment project area for purposes of this chapter.

The resolution must state the general boundaries of the redevelopment project area and identify the interests in real or personal property, if any, that the department proposes to acquire in the area.

(d) This subsection applies to the amendment of the resolution or plan for an existing redevelopment project area or urban renewal area. After completion of the data required by subsection (b), the redevelopment commission shall adopt a resolution declaring that:

(1) if the amendment enlarges the boundaries of the area, the existing area does not generate sufficient revenue to meet the financial obligations of the original project;

(2) it will be of public utility and benefit to amend the resolution or plan for the area; and

(3) any additional area to be acquired under the amendment is designated as part of the existing redevelopment project area or urban renewal area for purposes of this chapter.

The resolution must state the general boundaries of the redevelopment project area or urban renewal area, including any changes made to those boundaries by the amendment, and describe the activities that the department is permitted to take under the amendment, with any designated exceptions.

~~(d)~~ **(e)** For the purpose of adopting a resolution under subsection (c) **or (d)**, it is sufficient to describe the boundaries of the redevelopment project area by its location in relation to public ways or streams, or otherwise, as determined by the commission. Property proposed for acquisition may be described by street numbers or location.

SECTION 260. IC 36-7-15.1-9, AS AMENDED BY P.L.185-2005, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) After or concurrent with adoption of a resolution under section 8 of this chapter, the commission shall determine whether the resolution and the redevelopment plan conform

to the comprehensive plan of development for the consolidated city and approve or disapprove the resolution and plan proposed. **If the commission approves the resolution and plan, it shall submit the resolution and plan to the legislative body of the consolidated city, which may approve or disapprove the resolution and plan.**

(b) In determining the location and extent of a redevelopment project area proposed to be acquired for redevelopment, the commission shall give consideration to transitional and permanent provisions for adequate housing for the residents of the area who will be displaced by the redevelopment project.

SECTION 261. IC 36-7-15.1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. (a) After approval **by the commission and the legislative body of the consolidated city** under section 9 of this chapter, the commission shall publish notice of the adoption and substance of the resolution in accordance with IC 5-3-1. The notice must:

(1) state that maps, plats, or maps and plats have been prepared and can be inspected at the office of the department; ~~The notice must also and~~

(2) name a date when the commission will:

(A) receive and hear remonstrances and other testimony from persons interested in or affected by the proceeding pertaining to the proposed project **or other actions to be taken under the resolution;** and ~~with~~

(B) determine the public utility and benefit of the proposed project **or other actions.**

All persons affected in any manner by the hearing, including all taxpayers of the redevelopment district, shall be considered notified of the pendency of the hearing and of subsequent acts, hearings, adjournments, and orders of the commission by the notice given under this section.

(b) A copy of the notice of the hearing on the resolution shall be filed in the office of the commission, board of zoning appeals, works board, park board, and any other departments, bodies, or officers of the consolidated city having to do with planning, variances from zoning ordinances, land use, or the issuance of building permits. These agencies and officers shall take notice of the pendency of the hearing, and until the commission confirms, modifies and confirms, or rescinds the resolution, or the confirmation of the resolution is set aside on appeal, they may not, without approval of the commission:

(1) authorize any construction on property or sewers in the area described in the resolution, including substantial modifications, rebuilding, conversion, enlargement, additions, and major structural improvements; or

(2) take any action regarding the zoning or rezoning of property, or the opening, closing, or improvement of public ways in the area

described in the resolution.

This subsection does not prohibit the granting of permits for ordinary maintenance or minor remodeling, or for changes necessary for the continued occupancy of buildings in the area.

(c) If the resolution to be considered at the hearing includes a provision establishing or amending an allocation provision under section 26 of this chapter, the commission shall file the following information with each taxing unit that is wholly or partly located within the allocation area:

(1) A copy of the notice required by subsection (a).

(2) A statement disclosing the impact of the allocation area, including the following:

(A) The estimated economic benefits and costs incurred by the allocation area, as measured by increased employment and anticipated growth of real property assessed values.

(B) The anticipated impact on tax revenues of each taxing unit.

The commission shall file the information required by this subsection with the officers of the taxing unit who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten (10) days before the date of the hearing.

(d) At the hearing, which may be adjourned from time to time, the commission shall hear all persons interested in the proceedings and shall consider all written remonstrances and objections that have been filed. After considering the evidence presented, the commission shall take final action determining the public utility and benefit of the proposed project **or other actions to be taken under the resolution**, and confirming, modifying and confirming, or rescinding the resolution. The final action taken by the commission shall be recorded and is final and conclusive, except that an appeal may be taken under section 11 of this chapter.

SECTION 262. IC 36-7-15.1-10.5, AS AMENDED BY P.L.185-2005, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10.5. ~~(a) The commission must conduct a public hearing before amending a resolution or plan for a redevelopment project area, an urban renewal project area, or an economic development area. The commission shall give notice of the hearing in accordance with IC 5-3-1. The notice must:~~

~~(1) set forth the substance of the proposed amendment;~~

~~(2) state the time and place where written remonstrances against the proposed amendment may be filed;~~

~~(3) set forth the time and place of the hearing; and~~

~~(4) state that the commission will hear any person who has filed a written remonstrance during the filing period set forth under subdivision (2).~~

~~(b) For the purposes of this section, the consolidation of areas is not~~

1 considered the enlargement of the boundaries of an area.

2 (c) When the commission proposes to amend a resolution or plan;
3 the commission is not required to have evidence or make findings that
4 were required for the establishment of the original redevelopment
5 project area, urban renewal area, or economic development area.
6 However, the commission must make the following findings before
7 approving the amendment:

8 (1) The amendment is reasonable and appropriate when
9 considered in relation to the original resolution or plan and the
10 purposes of this chapter.

11 (2) The resolution or plan, with the proposed amendment,
12 conforms to the comprehensive plan for the county.

13 (d) (a) In addition to the requirements of subsection (a), **section 10**
14 **of this chapter**, if the resolution or plan **for an existing**
15 **redevelopment project area or urban renewal area** is proposed to
16 be amended in a way that changes:

17 (1) parts of the area that are to be devoted to a public way, levee,
18 sewerage, park, playground, or other public purpose;

19 (2) the proposed use of the land in the area; or

20 (3) requirements for rehabilitation, building requirements,
21 proposed zoning, maximum densities, or similar requirements;

22 the commission must, at least ten (10) days before the public hearing
23 **under section 10 of this chapter**, send the notice required by
24 **subsection (a) section 10 of this chapter** by first class mail to affected
25 neighborhood associations.

26 (e) (b) In addition to the requirements of subsection (a), **section 10**
27 **of this chapter**, if the resolution or plan **for an existing**
28 **redevelopment project area or urban renewal area** is proposed to
29 be amended in a way that:

30 (1) enlarges the boundaries of the area; **by not more than twenty**
31 **percent (20%) of the original area**; or

32 (2) adds one (1) or more parcels to the list of parcels to be
33 acquired;

34 the commission must, at least ten (10) days before the public hearing
35 **under section 10 of this chapter**, send the notice required by
36 **subsection (a) section 10 of this chapter** by first class mail to affected
37 neighborhood associations and to persons owning property that is in the
38 proposed enlargement of the area or that is proposed to be added to the
39 acquisition list. If the enlargement of an area is proposed, notice must
40 also be filed in accordance with section 10(b) of this chapter, and
41 agencies and officers may not take actions prohibited by section 10(b)
42 in the proposed enlarged area.

43 (f) Notwithstanding subsections (a) and (c), if the resolution or plan
44 is proposed to be amended in a way that enlarges the original
45 boundaries of the area by more than twenty percent (20%), the
46 commission must use the procedure provided for the original

1 establishment of areas and must comply with sections 8 through 10 of
2 this chapter:

3 (g) At the hearing on the amendments, the commission shall
4 consider written remonstrances that are filed. The action of the
5 commission on the amendment shall be recorded and is final and
6 conclusive, except that:

7 (1) the city-county legislative body must also approve the
8 enlargement of the boundaries of an economic development area;
9 and

10 (2) an appeal of the commission's action may be taken under
11 section 11 of this chapter.

12 (h) (c) The commission may require that neighborhood associations
13 register with the commission. The commission may adopt a rule that
14 requires that a neighborhood association encompass a part of the
15 geographic area included in or proposed to be included in a
16 redevelopment project area, urban renewal area, or economic
17 development area to qualify as an affected neighborhood association.

18 SECTION 263. IC 36-7-15.1-13, AS AMENDED BY P.L.185-2005,
19 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2008]: Sec. 13. (a) **Subject to the approval of the**
21 **city-county legislative body**, if the commission considers it necessary
22 to acquire real property in a redevelopment project area by the exercise
23 of the power of eminent domain, it shall adopt a resolution setting out
24 its determination to exercise that power and directing its attorney to file
25 a petition in the name of the city on behalf of the department in the
26 circuit or superior court of the county.

27 (b) Eminent domain proceedings under this section are governed by
28 IC 32-24.

29 SECTION 264. IC 36-7-15.1-16 IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 16. (a) For the purpose
31 of raising money to carry out this chapter or IC 36-7-15.3, the
32 city-county legislative body ~~shall~~ **may** levy each year a special tax upon
33 all property in the redevelopment district. The tax so levied each year
34 shall be certified to the fiscal officers of the city and the county before
35 September 2 of each year. The tax shall be estimated and entered upon
36 the tax duplicates by the county auditor, and shall be collected and
37 enforced by the county treasurer in the same manner as state and
38 county taxes are estimated, entered, collected, and enforced.

39 (b) As the tax is collected by the county treasurer, it shall be
40 accumulated and kept in a separate fund to be known as the
41 redevelopment district fund and shall be expended and applied only for
42 the purposes of this chapter or IC 36-7-15.3.

43 (c) The amount of the special tax levy shall be based on the budget
44 of the department but may not exceed one and sixty-seven hundredths
45 cents (\$0.0167) on each one hundred dollars (\$100) of taxable
46 valuation in the redevelopment district, except as otherwise provided

1 in this chapter.

2 (d) The budgets and tax levies under this chapter are subject to
3 review and modification in the manner prescribed by IC 36-3-6.

4 SECTION 265. IC 36-7-15.1-17, AS AMENDED BY P.L.219-2007,
5 SECTION 128, IS AMENDED TO READ AS FOLLOWS
6 [EFFECTIVE JULY 1, 2008]: Sec. 17. (a) In addition to other methods
7 of raising money for property acquisition or redevelopment in a
8 redevelopment project area, and in anticipation of the special tax to be
9 levied under section 19 of this chapter, the taxes allocated under
10 section 26 of this chapter, or other revenues of the redevelopment
11 district, the commission may, by resolution, issue the bonds of the
12 redevelopment district in the name of the consolidated city and in
13 accordance with IC 36-3-5-8. The amount of the bonds may not exceed
14 the total, as estimated by the commission, of all expenses reasonably
15 incurred in connection with the acquisition and redevelopment of the
16 property, including:

- 17 (1) the total cost of all land, rights-of-way, and other property to
18 be acquired and redeveloped;
- 19 (2) all reasonable and necessary architectural, engineering, legal,
20 financing, accounting, advertising, bond discount, and
21 supervisory expenses related to the acquisition and redevelopment
22 of the property or the issuance of bonds;
- 23 (3) capitalized interest permitted in this chapter and a debt service
24 reserve for the bonds, to the extent that the redevelopment
25 commission determines that a reserve is reasonably required;
- 26 (4) the total cost of all clearing and construction work provided
27 for in the resolution; and
- 28 (5) expenses that the commission is required or permitted to pay
29 under IC 8-23-17.

30 (b) If the commission plans to acquire different parcels of land or let
31 different contracts for redevelopment work at approximately the same
32 time, whether under one (1) or more resolutions, the commission may
33 provide for the total cost in one (1) issue of bonds.

34 (c) The bonds must be dated as set forth in the bond resolution and
35 negotiable subject to the requirements of the bond resolution for the
36 registration of the bonds. The resolution authorizing the bonds must
37 state:

- 38 (1) the denominations of the bonds;
- 39 (2) the place or places at which the bonds are payable; and
- 40 (3) the term of the bonds, which may not exceed:
41 (A) fifty (50) years, **for bonds issued before July 1, 2008; or**
42 (B) twenty-five (25) years, **for bonds issued after June 30,**
43 **2008.**

44 The resolution may also state that the bonds are redeemable before
45 maturity with or without a premium, as determined by the commission.

46 (d) The commission shall certify a copy of the resolution authorizing

the bonds to the fiscal officer of the consolidated city, who shall then prepare the bonds. The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(e) The bonds shall be executed by the city executive and attested by the fiscal officer. The interest coupons, if any, shall be executed by the facsimile signature of the fiscal officer.

(f) The bonds are exempt from taxation as provided by IC 6-8-5.

(g) The city fiscal officer shall sell the bonds according to law. Notwithstanding IC 36-3-5-8, bonds payable solely or in part from tax proceeds allocated under section 26(b)(2) of this chapter or other revenues of the district may be sold at private negotiated sale and at a price or prices not less than ninety-seven percent (97%) of the par value.

(h) The bonds are not a corporate obligation of the city but are an indebtedness of the redevelopment district. The bonds and interest are payable:

- (1) from a special tax levied upon all of the property in the redevelopment district, as provided by section 19 of this chapter;
- (2) from the tax proceeds allocated under section 26(b)(2) of this chapter;
- (3) from other revenues available to the commission; or
- (4) from a combination of the methods stated in subdivisions (1) through (3);

and from any revenues of the designated project. If the bonds are payable solely from the tax proceeds allocated under section 26(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources, they may be issued in any amount without limitation.

(i) Proceeds from the sale of the bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years from the date of issue.

(j) ~~Notwithstanding~~ **As provided by** IC 36-3-5-8, the laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers and voters to remonstrate against the issuance of bonds applicable to bonds issued under this chapter ~~do not~~ apply to bonds **issued under this chapter. However, this subsection does not apply to bonds that:**

(1) are payable solely or in part from tax proceeds allocated under section 26(b)(2) of this chapter, other revenues of the commission, or any combination of these sources; **and**

(2) were:

(A) issued before July 1, 2008;

(B) issued after June 30, 2008, but authorized by a resolution adopted under this section before July 1, 2008; or

(C) issued after June 30, 2008, in order to:

(i) fulfill the terms of agreements or pledges entered into before July 1, 2008, with the holders of bonds or other contractual obligations that were issued or entered into before July 1, 2008; or

(ii) otherwise prevent an impairment of the rights or remedies of the holders of bonds or other contractual obligations that were issued or entered into before July 1, 2008.

(k) If bonds are issued under this chapter that are payable solely or in part from revenues to the commission from a project or projects, the commission may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects, but may not convey or mortgage any project or parts of a project. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the commission. The commission may establish fees and charges for the use of any project and covenant with the owners of any bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the commission that are payable solely from revenues of the commission must contain a statement to that effect in the form of bond.

SECTION 266. IC 36-7-15.1-17.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 17.1. (a) A commission may enter into a lease of any property that may be financed with the proceeds of bonds issued under this chapter with a lessor for a term not to exceed:

(1) fifty (50) years, for a lease entered into before July 1, 2008;

or

(2) twenty-five (25) years, for a lease entered into after June 30, 2008.

The lease may provide for payments to be made by the commission from special benefits taxes levied under section 19 of this chapter, taxes allocated under section 26 of this chapter, any other revenue available to the commission, or any combination of these sources.

(b) A lease may provide that payments by the commission to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the lease. The terms of each lease must be based upon the value of the facilities leased and may not create a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the commission only after a public hearing by the commission at which all interested parties are given the opportunity to be heard. Notice of the hearing must be given

1 by publication in accordance with IC 5-3-1. After the public hearing,
 2 the commission may adopt a resolution authorizing the execution of the
 3 lease on behalf of the unit if it finds that the service to be provided
 4 throughout the term of the lease will serve the public purpose of the
 5 unit and is in the best interests of its residents. Any lease approved by
 6 a resolution of the commission must be approved by an ordinance of
 7 the fiscal body of the unit.

8 (d) Upon execution of a lease providing for payments by the
 9 commission in whole or in part from the levy of special benefits taxes
 10 under section 19 of this chapter and upon approval of the lease by the
 11 fiscal body, the commission shall publish notice of the execution of the
 12 lease and its approval in accordance with IC 5-3-1. Fifty (50) or more
 13 taxpayers residing in the district who will be affected by the lease and
 14 who may be of the opinion that no necessity exists for the execution of
 15 the lease or that the payments provided for in the lease are not fair and
 16 reasonable may file a petition in the office of the county auditor within
 17 thirty (30) days after the publication of the notice of execution and
 18 approval. The petition must set forth the petitioners' names, addresses,
 19 and objections to the lease and the facts showing that the execution of
 20 the lease is unnecessary or unwise or that the payments provided for in
 21 the lease are not fair and reasonable, as the case may be. Upon the
 22 filing of the petition, the county auditor shall immediately certify a
 23 copy of it, together with such other data as may be necessary in order
 24 to present the questions involved, to the department of local
 25 government finance. Upon receipt of the certified petition and
 26 information, the department of local government finance shall fix a
 27 time and place for the hearing in the redevelopment district, which
 28 must be not less than five (5) or more than thirty (30) days after the
 29 time for the hearing is fixed. Notice of the hearing shall be given by the
 30 department of local government finance to the members of the fiscal
 31 body, to the commission, and to the first fifty (50) petitioners on the
 32 petition by a letter signed by the commissioner or deputy commissioner
 33 of the department and enclosed with fully prepaid postage sent to those
 34 persons at their usual place of residence, at least five (5) days before
 35 the date of the hearing. The decision of the department of local
 36 government finance on the appeal, upon the necessity for the execution
 37 of the lease and as to whether the payments under it are fair and
 38 reasonable, is final.

39 (e) A commission entering into a lease payable from allocated taxes
 40 under section 26 of this chapter or revenues or other available funds of
 41 the commission may:

42 (1) pledge the revenue to make payments under the lease pursuant
 43 to IC 5-1-14-4; and

44 (2) establish a special fund to make the payments.

45 Lease rentals may be limited to money in the special fund so that the
 46 obligations of the commission to make the lease rental payments are

not considered a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(f) Except as provided in this section, no approvals of any governmental body or agency are required before the commission enters into a lease under this section.

(g) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of the notice of the execution and approval of the lease. However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the department of local government finance, an action to contest the validity or to enjoin performance must be brought within thirty (30) days after the decision of the department.

(h) If a commission exercises an option to buy a leased facility from a lessor, the commission may subsequently sell the leased facility, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the commission shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days after the hearing.

SECTION 267. IC 36-7-15.1-22.5, AS AMENDED BY P.L.163-2006, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 22.5. (a) **Subject to the approval of the county fiscal body**, the commission may acquire a parcel of real property by the exercise of eminent domain when the following conditions exist:

(1) The real property meets at least one (1) of the conditions described in IC 32-24-4.5-7(1).

(2) The real property is capable of being developed or rehabilitated to provide affordable housing for low or moderate income families or to provide other development that will benefit or serve low or moderate income families.

(3) The real property suffers from one (1) or more of the conditions listed in IC 36-7-1-3, resulting in a negative impact on the use or value of the neighboring properties or other properties in the community.

(b) The commission or its designated hearing examiner shall conduct a public meeting to determine whether the conditions set forth in subsection (a) exist relative to a parcel of real property. Each person holding a fee or life estate interest of record in the property must be given notice by first class mail of the time and date of the hearing at least ten (10) days before the hearing, and is entitled to present evidence and make arguments at the hearing.

(c) If the commission considers it necessary to acquire real property under this section, it shall adopt a resolution setting out its determination to exercise that power and directing its attorney to file a petition in the name of the city on behalf of the department in the circuit or superior court in the county.

(d) Eminent domain proceedings under this section are governed by IC 32-24.

(e) The commission shall use real property acquired under this section for one (1) of the following purposes:

(1) Sale in an urban homestead program under IC 36-7-17.

(2) Sale to a family whose income is at or below the county's median income for families.

(3) Sale or grant to a neighborhood development corporation or other nonprofit corporation, with a condition in the granting clause of the deed requiring the nonprofit organization to lease or sell the property to a family whose income is at or below the county's median income for families or to cause development that will serve or benefit families whose income is at or below the county's median income for families. However, a nonprofit organization is eligible for a sale or grant under this subdivision only if the county fiscal body has determined that the nonprofit organization meets the criteria established under subsection (f).

(4) Any other purpose appropriate under this chapter so long as it will serve or benefit families whose income is at or below the county's median income for families.

(f) The county fiscal body shall establish criteria for determining the eligibility of neighborhood development corporations and other nonprofit corporations for sales and grants of real property under subsection (e)(3). A neighborhood development corporation or other nonprofit corporation may apply to the county fiscal body for a determination concerning the corporation's compliance with the criteria established under this subsection.

(g) A neighborhood development corporation or nonprofit corporation that receives property under this section must agree to rehabilitate or otherwise develop the property in a manner that is similar to and consistent with the use of the other properties in the area served by the corporation.

SECTION 268. IC 36-7-15.1-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 24. (a) **Subject to the approval of the legislative body of the consolidated city, and in order to:**

(1) undertake survey and planning activities under this chapter;

(2) undertake and carry out any redevelopment project, urban renewal project, economic development plan, or housing program;

(3) pay principal and interest on any advances;

1 (4) pay or retire any bonds and interest on them; or

2 (5) refund loans previously made under this section;

3 the commission may apply for and accept advances, short term and
4 long term loans, grants, contributions, loan guarantees, and any other
5 form of financial assistance from the federal government, or from any
6 of its agencies. The commission may apply for and accept loans under
7 this section from sources other than the federal government or federal
8 agencies but only if the loans are unconditionally guaranteed by the
9 federal government or federal agencies. The commission may also
10 enter into and carry out contracts and agreements in connection with
11 that financial assistance upon the terms and conditions that the
12 commission considers reasonable and appropriate, as long as those
13 terms and conditions are not inconsistent with the purposes of this
14 chapter. The provisions of such a contract or agreement in regard to the
15 handling, deposit, and application of project funds, as well as all other
16 provisions, are valid and binding on the consolidated city or its
17 executive departments and officers, as well as the commission,
18 notwithstanding any other provision of this chapter.

19 (b) **Subject to the approval of the fiscal body of the consolidated**
20 **city,** the commission may issue and sell bonds, notes, or warrants:

21 (1) to the federal government to evidence short term or long term
22 loans made under this section; or

23 (2) to persons or entities other than the federal government to
24 evidence short or long term loans made under this section that are
25 unconditionally guaranteed by the federal government or federal
26 agencies;

27 without notice of sale being given or a public offering being made.

28 (c) Notwithstanding any other law, bonds, notes, or warrants issued
29 by the commission under this section may:

30 (1) be in the amounts, form, or denomination;

31 (2) be either coupon or registered;

32 (3) carry conversion or other privileges;

33 (4) have a rank or priority;

34 (5) be of such description;

35 (6) be secured (subject to other provisions of this section) in such
36 manner;

37 (7) bear interest at a rate or rates;

38 (8) be payable as to both principal and interest in a medium of
39 payment, at a time or times (which may be upon demand) and at
40 a place or places;

41 (9) be subject to terms of redemption (with or without premium);

42 (10) contain or be subject to any covenants, conditions, and
43 provisions; and

44 (11) have any other characteristics;

45 that the commission considers reasonable and appropriate.

46 (d) Bonds, notes, or warrants issued under this section are not an

indebtedness of the city or redevelopment district within the meaning of any constitutional or statutory limitation of indebtedness. The bonds, notes, or warrants are not payable from or secured by a levy of taxes, but are payable only from and secured only by income, funds, and properties of the project becoming available to the commission under this chapter or by grant funds from the federal government, as the commission specifies in the resolution authorizing their issuance.

(e) Bonds, notes, or warrants issued under this section are exempt from taxation as provided by IC 6-8-5.

(f) Bonds, notes, or warrants issued under this section shall be executed by the city executive and attested by the fiscal officer in the name of the "City of _____, Department of Metropolitan Development".

(g) Following the adoption of the resolution authorizing the issuance of bonds, notes, or warrants under this section, the commission shall certify a copy of that resolution to the officers of the city who have duties with respect to bonds, notes, or warrants of the city. At the proper time, the commission shall deliver to the officers the unexecuted bonds, notes, or warrants prepared for execution in accordance with the resolution.

(h) All bonds, notes, or warrants issued under this section shall be sold by the officers of the city who have duties with respect to the sale of bonds, notes, or warrants of the city. If an officer whose signature appears on any bonds, notes, or warrants issued under this section leaves office before their delivery, the signature remains valid and sufficient for all purposes as if he had remained in office until the delivery.

(i) If at any time during the life of a loan contract or agreement under this section the commission can obtain loans for the purposes of this section from sources other than the federal government at interest rates not less favorable than provided in the loan contract or agreement, and if the loan contract or agreement so permits, the commission may do so and may pledge the loan contract and any rights under that contract as security for the repayment of the loans obtained from other sources. Any loan under this subsection may be evidenced by bonds, notes, or warrants issued and secured in the same manner as provided in this section for loans from the federal government. These bonds, notes, or warrants may be sold at either public or private sale, as the commission considers appropriate.

(j) Money obtained from the federal government or from other sources under this section, and money that is required by a contract or agreement under this section to be used for project expenditure purposes, repayment of survey and planning advances, or repayment of temporary or definitive loans, may be expended by the commission without regard to any law pertaining to the making and approval of budgets, appropriations, and expenditures.

(k) Bonds, notes, or warrants issued under this section are declared to be issued for an essential public and governmental purpose.

SECTION 269. IC 36-7-15.1-26, AS AMENDED BY P.L.154-2006, SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 26. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 8 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation

1 areas, the net assessed value of all the property as finally
 2 determined for the assessment date immediately preceding the
 3 effective date of the allocation provision of the declaratory
 4 resolution, as adjusted under subsection (h).

5 (5) If an allocation area established in an economic development
 6 area before July 1, 1995, is expanded after June 30, 1995, the
 7 definition in subdivision (1) applies to the expanded part of the
 8 area added after June 30, 1995.

9 (6) If an allocation area established in a redevelopment project
 10 area before July 1, 1997, is expanded after June 30, 1997, the
 11 definition in subdivision (2) applies to the expanded part of the
 12 area added after June 30, 1997.

13 Except as provided in section 26.2 of this chapter, "property taxes"
 14 means taxes imposed under IC 6-1.1 on real property. However, upon
 15 approval by a resolution of the redevelopment commission adopted
 16 before June 1, 1987, "property taxes" also includes taxes imposed
 17 under IC 6-1.1 on depreciable personal property. If a redevelopment
 18 commission adopted before June 1, 1987, a resolution to include within
 19 the definition of property taxes taxes imposed under IC 6-1.1 on
 20 depreciable personal property that has a useful life in excess of eight
 21 (8) years, the commission may by resolution determine the percentage
 22 of taxes imposed under IC 6-1.1 on all depreciable personal property
 23 that will be included within the definition of property taxes. However,
 24 the percentage included must not exceed twenty-five percent (25%) of
 25 the taxes imposed under IC 6-1.1 on all depreciable personal property.

26 (b) A resolution adopted under section 8 of this chapter on or before
 27 the allocation deadline determined under subsection (i) may include a
 28 provision with respect to the allocation and distribution of property
 29 taxes for the purposes and in the manner provided in this section. A
 30 resolution previously adopted may include an allocation provision by
 31 the amendment of that resolution on or before the allocation deadline
 32 determined under subsection (i) in accordance with the procedures
 33 required for its original adoption. A declaratory resolution or an
 34 amendment that establishes an allocation provision after June 30, 1995,
 35 must specify an expiration date for the allocation provision. ~~that~~ **For an**
 36 **allocation area established before July 1, 2008, the expiration date**
 37 **may not be more than thirty (30) years after the date on which the**
 38 **allocation provision is established. For an allocation area established**
 39 **after June 30, 2008, the expiration date may not be more than**
 40 **twenty-five (25) years after the date on which the allocation**
 41 **provision is established. However, with respect to bonds or other**
 42 **obligations that were issued before July 1, 2008, if any of the bonds**
 43 **or other obligations that were scheduled when issued to mature before**
 44 **the specified expiration date and that are payable only from allocated**
 45 **tax proceeds with respect to the allocation area remain outstanding as**
 46 **of the expiration date, the allocation provision does not expire until all**

of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 19 of this chapter.

(D) Pay the principal of and interest on bonds issued by the consolidated city to pay for local public improvements **in that are physically located in or physically connected to** that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) **in that are physically located in or physically connected to** that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or

1 parking facility ~~in~~ **that is physically located in or physically**
 2 **connected to** that allocation area under any lease entered into
 3 under IC 36-1-10.

4 (I) Reimburse public and private entities for expenses incurred
 5 in training employees of industrial facilities that are located:

6 (i) in the allocation area; and

7 (ii) on a parcel of real property that has been classified as
 8 industrial property under the rules of the department of local
 9 government finance.

10 However, the total amount of money spent for this purpose in
 11 any year may not exceed the total amount of money in the
 12 allocation fund that is attributable to property taxes paid by the
 13 industrial facilities described in this clause. The
 14 reimbursements under this clause must be made within three
 15 (3) years after the date on which the investments that are the
 16 basis for the increment financing are made.

17 The special fund may not be used for operating expenses of the
 18 commission.

19 (3) Before July 15 of each year, the commission shall do the
 20 following:

21 (A) Determine the amount, if any, by which the ~~base~~ assessed
 22 value **of the taxable property in the allocation area**, when
 23 multiplied by the estimated tax rate of the ~~allocated~~ allocation
 24 area, will exceed the amount of assessed value needed to
 25 provide the property taxes necessary to make, when due,
 26 principal and interest payments on bonds described in
 27 subdivision (2) plus the amount necessary for other purposes
 28 described in subdivision (2) and subsection (g).

29 ~~Notify~~ **Provide a written notice to** the county auditor, ~~of~~
 30 **the legislative body of the consolidated city, and the**
 31 **officers who are authorized to fix budgets, tax rates, and**
 32 **tax levies under IC 6-1.1-17-5 for each of the other taxing**
 33 **units that is wholly or partly located within the allocation**
 34 **area. The notice must:**

35 (i) **state** the amount, if any, of excess assessed value that the
 36 commission has determined may be allocated to the
 37 respective taxing units in the manner prescribed in
 38 subdivision (1); **or**

39 (ii) **state that the commission has determined that there**
 40 **is no excess assessed value that may be allocated to the**
 41 **respective taxing units in the manner prescribed in**
 42 **subdivision (1).**

43 **The county auditor shall allocate to the respective taxing**
 44 **units the amount, if any, of excess assessed value**
 45 **determined by the commission.** The commission may not
 46 authorize an allocation to the respective taxing units under this

1 subdivision if to do so would endanger the interests of the
2 holders of bonds described in subdivision (2).

3 (c) For the purpose of allocating taxes levied by or for any taxing
4 unit or units, the assessed value of taxable property in a territory in the
5 allocation area that is annexed by any taxing unit after the effective
6 date of the allocation provision of the resolution is the lesser of:

7 (1) the assessed value of the property for the assessment date with
8 respect to which the allocation and distribution is made; or

9 (2) the base assessed value.

10 (d) Property tax proceeds allocable to the redevelopment district
11 under subsection (b)(2) may, subject to subsection (b)(3), be
12 irrevocably pledged by the redevelopment district for payment as set
13 forth in subsection (b)(2).

14 (e) Notwithstanding any other law, each assessor shall, upon
15 petition of the commission, reassess the taxable property situated upon
16 or in, or added to, the allocation area, effective on the next assessment
17 date after the petition.

18 (f) Notwithstanding any other law, the assessed value of all taxable
19 property in the allocation area, for purposes of tax limitation, property
20 tax replacement, and formulation of the budget, tax rate, and tax levy
21 for each political subdivision in which the property is located is the
22 lesser of:

23 (1) the assessed value of the property as valued without regard to
24 this section; or

25 (2) the base assessed value.

26 (g) If any part of the allocation area is located in an enterprise zone
27 created under IC 5-28-15, the unit that designated the allocation area
28 shall create funds as specified in this subsection. A unit that has
29 obligations, bonds, or leases payable from allocated tax proceeds under
30 subsection (b)(2) shall establish an allocation fund for the purposes
31 specified in subsection (b)(2) and a special zone fund. Such a unit
32 shall, until the end of the enterprise zone phase out period, deposit each
33 year in the special zone fund the amount in the allocation fund derived
34 from property tax proceeds in excess of those described in subsection
35 (b)(1) from property located in the enterprise zone that exceeds the
36 amount sufficient for the purposes specified in subsection (b)(2) for the
37 year. A unit that has no obligations, bonds, or leases payable from
38 allocated tax proceeds under subsection (b)(2) shall establish a special
39 zone fund and deposit all the property tax proceeds in excess of those
40 described in subsection (b)(1) in the fund derived from property tax
41 proceeds in excess of those described in subsection (b)(1) from
42 property located in the enterprise zone. The unit that creates the special
43 zone fund shall use the fund, based on the recommendations of the
44 urban enterprise association, for one (1) or more of the following
45 purposes:

46 (1) To pay for programs in job training, job enrichment, and basic

1 skill development designed to benefit residents and employers in
 2 the enterprise zone. The programs must reserve at least one-half
 3 (1/2) of the enrollment in any session for residents of the
 4 enterprise zone.

5 (2) To make loans and grants for the purpose of stimulating
 6 business activity in the enterprise zone or providing employment
 7 for enterprise zone residents in the enterprise zone. These loans
 8 and grants may be made to the following:

9 (A) Businesses operating in the enterprise zone.

10 (B) Businesses that will move their operations to the enterprise
 11 zone if such a loan or grant is made.

12 (3) To provide funds to carry out other purposes specified in
 13 subsection (b)(2). However, where reference is made in
 14 subsection (b)(2) to the allocation area, the reference refers for
 15 purposes of payments from the special zone fund only to that part
 16 of the allocation area that is also located in the enterprise zone.

17 (h) The state board of accounts and department of local government
 18 finance shall make the rules and prescribe the forms and procedures
 19 that they consider expedient for the implementation of this chapter.
 20 After each general reassessment under IC 6-1.1-4, the department of
 21 local government finance shall adjust the base assessed value one (1)
 22 time to neutralize any effect of the general reassessment on the
 23 property tax proceeds allocated to the redevelopment district under this
 24 section. After each annual adjustment under IC 6-1.1-4-4.5, the
 25 department of local government finance shall adjust the base assessed
 26 value to neutralize any effect of the annual adjustment on the property
 27 tax proceeds allocated to the redevelopment district under this section.
 28 However, the adjustments under this subsection may not include the
 29 effect of property tax abatements under IC 6-1.1-12.1, and these
 30 adjustments may not produce less property tax proceeds allocable to
 31 the redevelopment district under subsection (b)(2) than would
 32 otherwise have been received if the general reassessment or annual
 33 adjustment had not occurred. The department of local government
 34 finance may prescribe procedures for county and township officials to
 35 follow to assist the department in making the adjustments.

36 (i) The allocation deadline referred to in subsection (b) is
 37 determined in the following manner:

38 (1) The initial allocation deadline is December 31, 2011.

39 (2) Subject to subdivision (3), the initial allocation deadline and
 40 subsequent allocation deadlines are automatically extended in
 41 increments of five (5) years, so that allocation deadlines
 42 subsequent to the initial allocation deadline fall on December 31,
 43 2016, and December 31 of each fifth year thereafter.

44 (3) At least one (1) year before the date of an allocation deadline
 45 determined under subdivision (2), the general assembly may enact
 46 a law that:

1 (A) terminates the automatic extension of allocation deadlines
 2 under subdivision (2); and

3 (B) specifically designates a particular date as the final
 4 allocation deadline.

5 SECTION 270. IC 36-7-15.1-29 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 29. (a) The commission
 7 may, by following the procedures set forth in sections 8, 9, and 10 of
 8 this chapter, approve a plan for and determine that a geographic area
 9 in the redevelopment district is an economic development area.
 10 Designation of an economic development area is subject to judicial
 11 review in the manner prescribed in section 11 of this chapter.

12 (b) The commission may determine that a geographic area is an
 13 economic development area if it finds:

14 (1) the plan for the economic development area:

15 (A) promotes significant opportunities for the gainful
 16 employment of its citizens;

17 (B) attracts a major new business enterprise to the unit;

18 (C) retains or expands a significant business enterprise
 19 existing in the boundaries of the unit; or

20 (D) meets other purposes of this section and sections 28 and
 21 30 of this chapter;

22 (2) the plan for the economic development area cannot be
 23 achieved by regulatory processes or by the ordinary operation of
 24 private enterprise without resort to the powers allowed under this
 25 section and sections 28 and 30 of this chapter because of:

26 (A) lack of local public improvement;

27 (B) existence of improvements or conditions that lower the
 28 value of the land below that of nearby land;

29 (C) multiple ownership of land; or

30 (D) other similar conditions;

31 (3) the public health and welfare will be benefited by
 32 accomplishment of the plan for the economic development area;

33 (4) the accomplishment of the plan for the economic development
 34 area will be a public utility and benefit as measured by:

35 (A) attraction or retention of permanent jobs;

36 (B) increase in the property tax base;

37 (C) improved diversity of the economic base; or

38 (D) other similar public benefits; and

39 (5) the plan for the economic development area conforms to the
 40 comprehensive plan of development for the consolidated city.

41 (c) The determination that a geographic area is an economic
 42 development area must be approved by the city-county legislative body.
 43 The approval may be given either before or after judicial review is
 44 requested. The requirement that the city-county legislative body
 45 approve economic development areas does not prevent the commission
 46 from amending the plan for the economic development area. However,

the enlargement of any boundary in the economic development area must be approved by the city-county legislative body, **and a boundary may not be enlarged unless the existing area does not generate sufficient revenue to meet the financial obligations of the original project.**

SECTION 271. IC 36-7-15.1-30, AS AMENDED BY P.L.185-2005, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 30. (a) All of the rights, powers, privileges, and immunities that may be exercised by the commission in a redevelopment project area or urban renewal area may be exercised by the commission in an economic development area, subject to the following:

(1) The content and manner of exercise of these rights, powers, privileges, and immunities shall be determined by the purposes and nature of an economic development area.

(2) Real property (or interests in real property) relative to which action is taken under this section or section 28 or 29 of this chapter in an economic development area is not required to meet the conditions described in IC 36-7-1-3.

(3) The special tax levied in accordance with section 16 of this chapter may be used to carry out activities under this chapter in economic development areas.

(4) Bonds may be issued in accordance with section 17 of this chapter to defray expenses of carrying out activities under this chapter in economic development areas **if no other revenue sources are available for this purpose.**

(5) The tax exemptions set forth in section 25 of this chapter are applicable in economic development areas.

(6) An economic development area may be an allocation area for the purposes of distribution and allocation of property taxes.

(7) The commission may not use its power of eminent domain under section 13 of this chapter to carry out activities under this chapter in economic development areas.

(b) The content and manner of discharge of duties set forth in section 6 of this chapter shall be determined by the purposes and nature of an economic development area."

Page 240, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 273. IC 36-7-15.1-35, AS AMENDED BY P.L.219-2007, SECTION 131, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 35. (a) Notwithstanding section 26(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 32 of this chapter, "base assessed value" means the net assessed value of all of the land as finally determined for the assessment date immediately preceding the effective date of the

1 allocation provision, as adjusted under section 26(g) of this chapter.
 2 However, "base assessed value" does not include the value of real
 3 property improvements to the land.

4 (b) The special fund established under section 26(b) of this chapter
 5 for the allocation area for a program adopted under section 32 of this
 6 chapter may be used only for purposes related to the accomplishment
 7 of the program, including the following:

8 (1) The construction, rehabilitation, or repair of residential units
 9 within the allocation area.

10 (2) The construction, reconstruction, or repair of infrastructure
 11 (such as streets, sidewalks, and sewers) within or serving the
 12 allocation area.

13 (3) The acquisition of real property and interests in real property
 14 within the allocation area.

15 (4) The demolition of real property within the allocation area.

16 (5) To provide financial assistance to enable individuals and
 17 families to purchase or lease residential units within the allocation
 18 area. However, financial assistance may be provided only to those
 19 individuals and families whose income is at or below the county's
 20 median income for individuals and families, respectively.

21 (6) To provide financial assistance to neighborhood development
 22 corporations to permit them to provide financial assistance for the
 23 purposes described in subdivision (5).

24 (7) To provide each taxpayer in the allocation area a credit for
 25 property tax replacement as determined under subsections (c) and
 26 (d). However, this credit may be provided by the commission only
 27 if the city-county legislative body establishes the credit by
 28 ordinance adopted in the year before the year in which the credit
 29 is provided.

30 (c) The maximum credit that may be provided under subsection
 31 (b)(7) to a taxpayer in a taxing district that contains all or part of an
 32 allocation area established for a program adopted under section 32 of
 33 this chapter shall be determined as follows:

34 STEP ONE: Determine that part of the sum of the amounts
 35 described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)
 36 through IC 6-1.1-21-2(g)(5) that is attributable to the taxing
 37 district.

38 STEP TWO: Divide:

39 (A) that part of each county's eligible property tax replacement
 40 amount (as defined in IC 6-1.1-21-2) for that year as
 41 determined under IC 6-1.1-21-4(a)(1) that is attributable to the
 42 taxing district; by

43 (B) the amount determined under STEP ONE.

44 STEP THREE: Multiply:

45 (A) the STEP TWO quotient; by

46 (B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in

1 the taxing district allocated to the allocation fund, including
 2 the amount that would have been allocated but for the credit.

3 (d) Except as provided in subsection (g), the commission may
 4 determine to grant to taxpayers in an allocation area from its allocation
 5 fund a credit under this section, as calculated under subsection (c), by
 6 applying one-half (1/2) of the credit to each installment of taxes (as
 7 defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable
 8 in a year. Except as provided in subsection (g), one-half (1/2) of the
 9 credit shall be applied to each installment of taxes (as defined in
 10 IC 6-1.1-21-2). The commission must provide for the credit annually
 11 by a resolution and must find in the resolution the following:

12 (1) That the money to be collected and deposited in the allocation
 13 fund, based upon historical collection rates, after granting the
 14 credit will equal the amounts payable for contractual obligations
 15 from the fund, plus ten percent (10%) of those amounts.

16 (2) If bonds payable from the fund are outstanding, that there is
 17 a debt service reserve for the bonds that at least equals the amount
 18 of the credit to be granted.

19 (3) If bonds of a lessor under section 17.1 of this chapter or under
 20 IC 36-1-10 are outstanding and if lease rentals are payable from
 21 the fund, that there is a debt service reserve for those bonds that
 22 at least equals the amount of the credit to be granted.

23 If the tax increment is insufficient to grant the credit in full, the
 24 commission may grant the credit in part, prorated among all taxpayers.

25 (e) Notwithstanding section 26(b) of this chapter, the special fund
 26 established under section 26(b) of this chapter for the allocation area
 27 for a program adopted under section 32 of this chapter may only be
 28 used to do one (1) or more of the following:

29 (1) Accomplish one (1) or more of the actions set forth in section
 30 26(b)(2)(A) through 26(b)(2)(H) of this chapter.

31 (2) Reimburse the consolidated city for expenditures made by the
 32 city in order to accomplish the housing program in that allocation
 33 area.

34 The special fund may not be used for operating expenses of the
 35 commission.

36 (f) Notwithstanding section 26(b) of this chapter, the commission
 37 shall, relative to the special fund established under section 26(b) of this
 38 chapter for an allocation area for a program adopted under section 32
 39 of this chapter, do the following before July 15 of each year:

40 (1) Determine the amount, if any, by which ~~property taxes payable~~
 41 ~~to the allocation fund in the following year the assessed value of~~
 42 ~~the taxable property in the allocation area, when multiplied~~
 43 ~~by the estimated tax rate of the allocation area, will exceed the~~
 44 ~~amount of assessed value needed to produce the property taxes~~
 45 ~~necessary:~~

46 (A) to make, when due, principal and interest payments on

bonds described in section 26(b)(2) of this chapter;
 (B) to pay the amount necessary for other purposes described
 in section 26(b)(2) of this chapter; and
 (C) to reimburse the consolidated city for anticipated
 expenditures described in subsection (e)(2).

(2) ~~Notify~~ **Provide a written notice to the county auditor, of the legislative body of the consolidated city, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:**

(A) state the amount, if any, of excess property taxes assessed value that the commission has determined may be paid allocated to the respective taxing units in the manner prescribed in section 26(b)(1) of this chapter; or

(B) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subsection 26(b)(1) of this chapter.

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission.

(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).

SECTION 274. IC 36-7-15.1-40, AS AMENDED BY P.L.185-2005, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 40. (a) A commission shall establish a redevelopment project area by following the procedures set forth in sections 8 through 10 of this chapter. The establishment of a redevelopment project area under this subsection must also be approved by resolution of the legislative body of the excluded city.

(b) A commission may amend a resolution or plan for a redevelopment project area or economic development area by following the procedures ~~of section~~ **set forth in sections 8 through 10.5** of this chapter. An amendment made under this subsection must also be approved by resolution of the legislative body of the excluded city.

(c) A person who filed a written remonstrance with the commission

under subsection (a) and is aggrieved by the final action taken may seek appeal of the action by following the procedures for appeal set forth in section 11 of this chapter. The appeal hearing is governed by the procedures of section 11(b) of this chapter.

SECTION 275. IC 36-7-15.1-45, AS AMENDED BY P.L.219-2007, SECTION 132, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 45. (a) In addition to other methods of raising money for property acquisition or redevelopment in a redevelopment project area, and in anticipation of the special tax to be levied under section 50 of this chapter, the taxes allocated under section 53 of this chapter, or other revenues of the redevelopment district, a commission may, by resolution, issue the bonds of its redevelopment district in the name of the excluded city. The amount of the bonds may not exceed the total, as estimated by the commission, of all expenses reasonably incurred in connection with the acquisition and redevelopment of the property, including:

- (1) the total cost of all land, rights-of-way, and other property to be acquired and redeveloped;
- (2) all reasonable and necessary architectural, engineering, legal, financing, accounting, advertising, bond discount, and supervisory expenses related to the acquisition and redevelopment of the property or the issuance of bonds;
- (3) capitalized interest permitted in this chapter and a debt service reserve for the bonds, to the extent that the redevelopment commission determines that a reserve is reasonably required;
- (4) the total cost of all clearing and construction work provided for in the resolution; and
- (5) expenses that the commission is required or permitted to pay under IC 8-23-17.

(b) If a commission plans to acquire different parcels of land or let different contracts for redevelopment work at approximately the same time, whether under one (1) or more resolutions, a commission may provide for the total cost in one (1) issue of bonds.

(c) The bonds must be dated as set forth in the bond resolution and negotiable subject to the requirements concerning registration of the bonds. The resolution authorizing the bonds must state:

- (1) the denominations of the bonds;
- (2) the place or places at which the bonds are payable; and
- (3) the term of the bonds, which may not exceed:
 - (A) fifty (50) years, **for bonds issued before July 1, 2008; or**
 - (B) **twenty-five (25) years, for bonds issued after June 30, 2008.**

The resolution may also state that the bonds are redeemable before maturity with or without a premium, as determined by the commission.

(d) The commission shall certify a copy of the resolution authorizing the bonds to the fiscal officer of the excluded city, who shall then

1 prepare the bonds. The seal of the unit must be impressed on the bonds,
2 or a facsimile of the seal must be printed on the bonds.

3 (e) The bonds shall be executed by the excluded city executive and
4 attested by the excluded city fiscal officer. The interest coupons, if any,
5 shall be executed by the facsimile signature of the excluded city fiscal
6 officer.

7 (f) The bonds are exempt from taxation as provided by IC 6-8-5.

8 (g) The excluded city fiscal officer shall sell the bonds according to
9 law. Bonds payable solely or in part from tax proceeds allocated under
10 section 53(b)(2) of this chapter or other revenues of the district may be
11 sold at private negotiated sale and at a price or prices not less than
12 ninety-seven percent (97%) of the par value.

13 (h) The bonds are not a corporate obligation of the excluded city but
14 are an indebtedness of the redevelopment district. The bonds and
15 interest are payable:

16 (1) from a special tax levied upon all of the property in the
17 redevelopment district, as provided by section 50 of this chapter;

18 (2) from the tax proceeds allocated under section 53(b)(2) of this
19 chapter;

20 (3) from other revenues available to the commission; or

21 (4) from a combination of the methods described in subdivisions

22 (1) through (3);

23 and from any revenues of the designated project. If the bonds are
24 payable solely from the tax proceeds allocated under section 53(b)(2)
25 of this chapter, other revenues of the redevelopment commission, or
26 any combination of these sources, they may be issued in any amount
27 without limitation.

28 (i) Proceeds from the sale of the bonds may be used to pay the cost
29 of interest on the bonds for a period not to exceed five (5) years from
30 the date of issue.

31 (j) The laws relating to the filing of petitions requesting the issuance
32 of bonds and the right of taxpayers and voters to remonstrate against
33 the issuance of bonds applicable to bonds issued under this chapter ~~do~~
34 ~~not~~ apply to bonds payable solely or in part from tax proceeds allocated
35 under section 53(b)(2) of this chapter, other revenues of the
36 commission, or any combination of these sources. **However, this**
37 **subsection does not apply to the bonds if they were:**

38 **(1) issued before July 1, 2008;**

39 **(2) issued after June 30, 2008, but authorized by a resolution**
40 **adopted under this section before July 1, 2008; or**

41 **(3) issued after June 30, 2008, in order to:**

42 **(A) fulfill the terms of agreements or pledges entered into**
43 **before July 1, 2008, with the holders of bonds or other**
44 **contractual obligations that were issued or entered into**
45 **before July 1, 2008; or**

46 **(B) otherwise prevent an impairment of the rights or**

remedies of the holders of bonds or other contractual obligations that were issued or entered into before July 1, 2008.

(k) If bonds are issued under this chapter that are payable solely or in part from revenues to a commission from a project or projects, a commission may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects but may not convey or mortgage any project or parts of a project. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the commission. The commission may establish fees and charges for the use of any project and covenant with the owners of bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the commission that are payable solely from revenues of the commission must contain a statement to that effect in the form of bond.

SECTION 276. IC 36-7-15.1-46 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 46. (a) A commission may enter into a lease of any property that may be financed with the proceeds of bonds issued under section 45 of this chapter with a lessor for a term not to exceed:

(1) fifty (50) years, for a lease entered into before July 1, 2008; or

(2) twenty-five (25) years, for a lease entered into after June 30, 2008.

The lease may provide for payments to be made by the commission from special benefits taxes levied under section 50 of this chapter, taxes allocated under section 53 of this chapter, any other revenue available to the commission, or any combination of these sources.

(b) A lease may provide that payments by the commission to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the lease. The terms of each lease must be based upon the value of the facilities leased and may not create a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the commission only after a public hearing by the commission at which all interested parties are given the opportunity to be heard. Notice of the hearing must be given by publication in accordance with IC 5-3-1. After the public hearing, the commission may adopt a resolution authorizing the execution of the lease on behalf of the unit if it finds that the service to be provided throughout the term of the lease will serve the public purpose of the unit and is in the best interests of its residents. Any lease approved by

1 a resolution of the commission must be approved by an ordinance of
2 the fiscal body of the excluded city.

3 (d) Upon execution of a lease providing for payments by the
4 commission in whole or in part from the levy of special benefits taxes
5 under section 50 of this chapter and upon approval of the lease by the
6 fiscal body, the commission shall publish notice of the execution of the
7 lease and its approval in accordance with IC 5-3-1. Fifty (50) or more
8 taxpayers residing in the district who will be affected by the lease and
9 who may be of the opinion that no necessity exists for the execution of
10 the lease or that the payments provided for in the lease are not fair and
11 reasonable may file a petition in the office of the county auditor within
12 thirty (30) days after the publication of the notice of execution and
13 approval. The petition must set forth the petitioners' names, addresses,
14 and objections to the lease and the facts showing that the execution of
15 the lease is unnecessary or unwise or that the payments provided for in
16 the lease are not fair and reasonable, as the case may be. Upon the
17 filing of the petition, the county auditor shall immediately certify a
18 copy of the petition, together with such other data as may be necessary
19 in order to present the questions involved, to the department of local
20 government finance. Upon receipt of the certified petition and
21 information, the department of local government finance shall fix a
22 time and place for the hearing in the redevelopment district, which
23 must not be less than five (5) or more than thirty (30) days after the
24 time for the hearing is fixed. Notice of the hearing shall be given by the
25 department of local government finance to the members of the fiscal
26 body, to the commission, and to the first fifty (50) petitioners on the
27 petition by a letter signed by the commissioner or deputy commissioner
28 of the department and enclosed with fully prepaid postage sent to those
29 persons at their usual place of residence, at least five (5) days before
30 the date of the hearing. The decision of the department of local
31 government finance on the appeal, upon the necessity for the execution
32 of the lease and as to whether the payments under it are fair and
33 reasonable, is final.

34 (e) A commission entering into a lease payable from allocated taxes
35 under section 53 of this chapter or revenues or other available funds of
36 the commission may:

37 (1) pledge the revenue to make payments under the lease as
38 provided in IC 5-1-14-4; and

39 (2) establish a special fund to make the payments.

40 Lease rentals may be limited to money in the special fund so that the
41 obligations of the commission to make the lease rental payments are
42 not considered a debt of the unit or the district for purposes of the
43 Constitution of the State of Indiana.

44 (f) Except as provided in this section, no approvals of any
45 governmental body or agency are required before the commission
46 enters into a lease under this section.

(g) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of the notice of the execution and approval of the lease. However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the department of local government finance, an action to contest the validity or to enjoin performance must be brought within thirty (30) days after the decision of the department of local government finance.

(h) If a commission exercises an option to buy a leased facility from a lessor, the commission may subsequently sell the leased facility, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the commission shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days after the hearing.

SECTION 277. IC 36-7-15.1-51 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 51. (a) **Subject to the approval of the legislative body of the consolidated city, and** in order to:

- (1) undertake survey and planning activities under this chapter;
- (2) undertake and carry out any redevelopment project or economic development plan;
- (3) pay principal and interest on any advances;
- (4) pay or retire any bonds and interest on them; or
- (5) refund loans previously made under this section;

the commission may apply for and accept advances, short term and long term loans, grants, contributions, loan guarantees, and any other form of financial assistance from the federal government or from any of its agencies. The commission may apply for and accept loans under this section from sources other than the federal government or federal agencies, but only if the loans are unconditionally guaranteed by the federal government or federal agencies. The commission may also enter into and carry out contracts and agreements in connection with that financial assistance upon the terms and conditions that the commission considers reasonable and appropriate, if those terms and conditions are not inconsistent with the purposes of this chapter. The provisions of such a contract or agreement in regard to the handling, deposit, and application of project funds as all other provisions are valid and binding on the excluded city or its executive departments and officers, as well as the commission, notwithstanding any other provision of this chapter.

(b) **Subject to the approval of the fiscal body of the consolidated city,** the commission may issue and sell bonds, notes, or warrants:

(1) to the federal government to evidence short term or long term loans made under this section; or

(2) to persons or entities other than the federal government to evidence short or long term loans made under this section that are unconditionally guaranteed by the federal government or federal agencies;

without notice of sale being given or a public offering being made.

(c) Notwithstanding any other law, bonds, notes, or warrants issued by the commission under this section may:

(1) be in the amounts, form, or denomination;

(2) be either coupon or registered;

(3) carry conversion or other privileges;

(4) have a rank or priority;

(5) be of such description;

(6) be secured (subject to other provisions of this section) in such manner;

(7) bear interest at a rate or rates;

(8) be payable as to both principal and interest in a medium of payment, at a time or times (which may be upon demand), and at a place or places;

(9) be subject to terms of redemption (with or without premium);

(10) contain or be subject to any covenants, conditions, and provisions; and

(11) have any other characteristics;

that the commission considers reasonable and appropriate.

(d) Bonds, notes, or warrants issued under this section are not an indebtedness of the excluded city or its redevelopment district within the meaning of any constitutional or statutory limitation of indebtedness. The bonds, notes, or warrants are not payable from or secured by a levy of taxes but are payable only from and secured only by income, funds, and properties of the project becoming available to the commission under this chapter or by grant funds from the federal government, as the commission specifies in the resolution authorizing their issuance.

(e) Bonds, notes, or warrants issued under this section are exempt from taxation as provided by IC 6-8-5.

(f) Bonds, notes, or warrants issued under this section shall be executed by the city executive and attested by the fiscal officer in the name of the "City (or Town) of _____, for and on behalf of its Redevelopment District".

(g) Following the adoption of the resolution authorizing the issuance of bonds, notes, or warrants under this section, the commission shall certify a copy of that resolution to the officers of the excluded city who have duties with respect to bonds, notes, or warrants of the excluded city. At the proper time, the commission shall deliver to the officers the unexecuted bonds, notes, or warrants prepared for execution in

1 accordance with the resolution.

2 (h) All bonds, notes, or warrants issued under this section shall be
3 sold by the officers of the excluded city who have duties with respect
4 to the sale of bonds, notes, or warrants of the excluded city. If an
5 officer whose signature appears on any bonds, notes, or warrants issued
6 under this section leaves office before their delivery, the signature
7 remains valid and sufficient for all purposes as if the officer had
8 remained in office until the delivery.

9 (i) If, at any time during the life of a loan contract or agreement
10 under this section, the commission can obtain loans for the purposes of
11 this section from sources other than the federal government at interest
12 rates not less favorable than provided in the loan contract or agreement,
13 and if the loan contract or agreement so permits, the commission may
14 do so and may pledge the loan contract and any rights under that
15 contract as security for the repayment of the loans obtained from other
16 sources. Any loan under this subsection may be evidenced by bonds,
17 notes, or warrants issued and secured in the same manner as provided
18 in this section for loans from the federal government. These bonds,
19 notes, or warrants may be sold at either public or private sale, as the
20 commission considers appropriate.

21 (j) Money obtained from the federal government or from other
22 sources under this section, and money that is required by a contract or
23 agreement under this section to be used for project expenditure
24 purposes, repayment of survey and planning advances, or repayment of
25 temporary or definitive loans, may be expended by the commission
26 without regard to any law pertaining to the making and approval of
27 budgets, appropriations, and expenditures.

28 (k) Bonds, notes, or warrants issued under this section are declared
29 to be issued for an essential public and governmental purpose.

30 SECTION 278. IC 36-7-15.1-53, AS AMENDED BY P.L.154-2006,
31 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 2008]: Sec. 53. (a) As used in this section:

33 "Allocation area" means that part of a redevelopment project area
34 to which an allocation provision of a resolution adopted under section
35 40 of this chapter refers for purposes of distribution and allocation of
36 property taxes.

37 "Base assessed value" means:

- 38 (1) the net assessed value of all the property as finally determined
39 for the assessment date immediately preceding the effective date
40 of the allocation provision of the declaratory resolution, as
41 adjusted under subsection (h); plus
- 42 (2) to the extent that it is not included in subdivision (1), the net
43 assessed value of property that is assessed as residential property
44 under the rules of the department of local government finance, as
45 finally determined for any assessment date after the effective date
46 of the allocation provision.

1 Except as provided in section 55 of this chapter, "property taxes"
 2 means taxes imposed under IC 6-1.1 on real property.

3 (b) A resolution adopted under section 40 of this chapter on or
 4 before the allocation deadline determined under subsection (i) may
 5 include a provision with respect to the allocation and distribution of
 6 property taxes for the purposes and in the manner provided in this
 7 section. A resolution previously adopted may include an allocation
 8 provision by the amendment of that resolution on or before the
 9 allocation deadline determined under subsection (i) in accordance with
 10 the procedures required for its original adoption. A declaratory
 11 resolution or an amendment that establishes an allocation provision
 12 must be approved by resolution of the legislative body of the excluded
 13 city and must specify an expiration date for the allocation provision.
 14 **that For an allocation area established before July 1, 2008, the**
 15 **expiration date** may not be more than thirty (30) years after the date
 16 on which the allocation provision is established. **For an allocation**
 17 **area established after June 30, 2008, the expiration date may not**
 18 **be more than twenty-five (25) years after the date on which the**
 19 **allocation provision is established.** However, **with respect to bonds**
 20 **or other obligations that were issued before July 1, 2008, if any of**
 21 **the** bonds or other obligations that were scheduled when issued to
 22 mature before the specified expiration date and that are payable only
 23 from allocated tax proceeds with respect to the allocation area remain
 24 outstanding as of the expiration date, the allocation provision does not
 25 expire until all of the bonds or other obligations are no longer
 26 outstanding. The allocation provision may apply to all or part of the
 27 redevelopment project area. The allocation provision must require that
 28 any property taxes subsequently levied by or for the benefit of any
 29 public body entitled to a distribution of property taxes on taxable
 30 property in the allocation area be allocated and distributed as follows:

31 (1) Except as otherwise provided in this section, the proceeds of
 32 the taxes attributable to the lesser of:

33 (A) the assessed value of the property for the assessment date
 34 with respect to which the allocation and distribution is made;

35 or

36 (B) the base assessed value;

37 shall be allocated to and, when collected, paid into the funds of
 38 the respective taxing units.

39 (2) Except as otherwise provided in this section, property tax
 40 proceeds in excess of those described in subdivision (1) shall be
 41 allocated to the redevelopment district and, when collected, paid
 42 into a special fund for that allocation area that may be used by the
 43 redevelopment district only to do one (1) or more of the
 44 following:

45 (A) Pay the principal of and interest on any obligations
 46 payable solely from allocated tax proceeds that are incurred by

the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 50 of this chapter.

(D) Pay the principal of and interest on bonds issued by the excluded city to pay for local public improvements **in that are physically located in or physically connected to** that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 46 of this chapter.

(G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) **in that are physically located in or physically connected to** that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility **in that is physically located in or physically connected to** that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which **property taxes payable to the allocation fund in the following year the**

assessed value of the taxable property in the allocation area, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

(B) ~~Notify~~ **Provide a written notice to** the county auditor, ~~of the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area.~~ **The notice must:**

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy

for each political subdivision in which the property is located, is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers, for purposes of payments from the special zone fund, only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of

1 local government finance shall adjust the base assessed value one (1)
 2 time to neutralize any effect of the general reassessment on the
 3 property tax proceeds allocated to the redevelopment district under this
 4 section. After each annual adjustment under IC 6-1.1-4-4.5, the
 5 department of local government finance shall adjust the base assessed
 6 value to neutralize any effect of the annual adjustment on the property
 7 tax proceeds allocated to the redevelopment district under this section.
 8 However, the adjustments under this subsection may not include the
 9 effect of property tax abatements under IC 6-1.1-12.1, and these
 10 adjustments may not produce less property tax proceeds allocable to
 11 the redevelopment district under subsection (b)(2) than would
 12 otherwise have been received if the general reassessment or annual
 13 adjustment had not occurred. The department of local government
 14 finance may prescribe procedures for county and township officials to
 15 follow to assist the department in making the adjustments.

16 (i) The allocation deadline referred to in subsection (b) is
 17 determined in the following manner:

18 (1) The initial allocation deadline is December 31, 2011.

19 (2) Subject to subdivision (3), the initial allocation deadline and
 20 subsequent allocation deadlines are automatically extended in
 21 increments of five (5) years, so that allocation deadlines
 22 subsequent to the initial allocation deadline fall on December 31,
 23 2016, and December 31 of each fifth year thereafter.

24 (3) At least one (1) year before the date of an allocation deadline
 25 determined under subdivision (2), the general assembly may enact
 26 a law that:

27 (A) terminates the automatic extension of allocation deadlines
 28 under subdivision (2); and

29 (B) specifically designates a particular date as the final
 30 allocation deadline.

31 SECTION 279. IC 36-7-15.1-57 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 57. (a) The commission
 33 may, by following the procedures set forth in sections 8, 9, and 10 of
 34 this chapter, approve a plan for and determine that a geographic area
 35 in the redevelopment district is an economic development area.
 36 Designation of an economic development area is subject to judicial
 37 review in the manner prescribed in section 11 of this chapter.

38 (b) The commission may determine that a geographic area is an
 39 economic development area if it finds that:

40 (1) the plan for the economic development area:

41 (A) promotes significant opportunities for the gainful
 42 employment of its citizens;

43 (B) attracts a major new business enterprise to the unit;

44 (C) retains or expands a significant business enterprise
 45 existing in the boundaries of the unit; or

46 (D) meets other purposes of this section and sections 28 and

- 1 58 of this chapter;
- 2 (2) the plan for the economic development area cannot be
- 3 achieved by regulatory processes or by the ordinary operation of
- 4 private enterprise without resort to the powers allowed under this
- 5 section and sections 28 and 58 of this chapter because of:
- 6 (A) lack of local public improvement;
- 7 (B) existence of improvements or conditions that lower the
- 8 value of the land below that of nearby land;
- 9 (C) multiple ownership of land; or
- 10 (D) other similar conditions;
- 11 (3) the public health and welfare will be benefited by
- 12 accomplishment of the plan for the economic development area;
- 13 (4) the accomplishment of the plan for the economic development
- 14 area will be of public utility and benefit as measured by:
- 15 (A) attraction or retention of permanent jobs;
- 16 (B) increase in the property tax base;
- 17 (C) improved diversity of the economic base; or
- 18 (D) other similar public benefits; and
- 19 (5) the plan for the economic development area conforms to the
- 20 comprehensive plan of development for the county.
- 21 (c) The determination that a geographic area is an economic
- 22 development area must be approved by the excluded city legislative
- 23 body. The approval may be given either before or after judicial review
- 24 is requested. The requirement that the excluded city legislative body
- 25 approve economic development areas does not prevent the commission
- 26 from amending the plan for the economic development area. However,
- 27 the enlargement of any boundary in the economic development area
- 28 must be approved by the excluded city legislative body, **and a**
- 29 **boundary may not be enlarged unless the existing area does not**
- 30 **generate sufficient revenue to meet the financial obligations of the**
- 31 **original project.**
- 32 SECTION 280. IC 36-7-15.1-58, AS AMENDED BY P.L.185-2005,
- 33 SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 34 JULY 1, 2008]: Sec. 58. (a) All of the rights, powers, privileges, and
- 35 immunities that may be exercised by a commission in a redevelopment
- 36 project area may be exercised by a commission in an economic
- 37 development area, subject to the following:
- 38 (1) The content and manner of exercise of these rights, powers,
- 39 privileges, and immunities shall be determined by the purposes
- 40 and nature of an economic development area.
- 41 (2) Real property (or interests in real property) relative to which
- 42 action is taken under this section or section 28 or 57 of this
- 43 chapter in an economic development area is not required to meet
- 44 the conditions described in IC 36-7-1-3.
- 45 (3) Bonds may be issued in accordance with section 45 of this
- 46 chapter to defray expenses of carrying out activities under this

chapter in economic development areas **if no other revenue sources are available for this purpose.**

(4) The tax exemptions set forth in section 52 of this chapter are applicable in economic development areas.

(5) An economic development area may be an allocation area for the purposes of distribution and allocation of property taxes. However, a declaratory resolution or an amendment that establishes an allocation area must be approved by resolution of the legislative body of the excluded city.

(6) The excluded city legislative body may not use its power of eminent domain under section 39 of this chapter to carry out activities under this chapter in economic development areas.

(b) The content and manner of discharge of duties set forth in section 39(a) of this chapter shall be determined by the purposes and nature of an economic development area.

SECTION 281. IC 36-7-15.3-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 15. (a) The authority may issue bonds for the purpose of obtaining money to pay the cost of:

(1) acquiring property;

(2) constructing, improving, reconstructing, or renovating one (1) or more local public improvements; or

(3) funding or refunding bonds issued under this chapter or IC 36-7-15.1.

(b) The bonds are payable solely from the lease rentals from the lease of the local public improvement for which the bonds were issued, insurance proceeds, and any other funds pledged or available.

(c) The bonds shall be authorized by a resolution of the board.

(d) The terms and form of the bonds shall either be set out in the resolution or in a form of trust indenture approved by the resolution.

(e) The bonds shall mature within:

(1) fifty (50) years, **for bonds issued before July 1, 2008; or**

(2) **twenty-five (25) years, for bonds issued after June 30, 2008.**

(f) The board shall sell the bonds at public or private sale upon such terms as determined by the board.

(g) All money received from any bonds issued under this chapter shall be applied solely to the payment of the cost of the acquisition or construction, or both, of local public improvements, or the cost of refunding or refinancing outstanding bonds, for which the bonds are issued. The cost may include:

(1) planning and development of the facility and all buildings, facilities, structures, and improvements related to it;

(2) acquisition of a site and clearing and preparing the site for construction;

(3) equipment, facilities, structures, and improvements that are necessary or desirable to make the local public improvements ~~that~~

are necessary or desirable to make the local public improvements suitable for use and operations;

- (4) architectural, engineering, consultant, and attorney fees;
- (5) incidental expenses in connection with the issuance and sale of bonds;
- (6) reserves for principal and interest;
- (7) interest during construction and for a period thereafter determined by the board, but in no event to exceed five (5) years;
- (8) financial advisory fees;
- (9) insurance during construction;
- (10) municipal bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement; and
- (11) in the case of refunding or refinancing, payment of the principal of, redemption premiums, if any, and interest on, the bonds being refunded or refinanced."

Page 243, between lines 21 and 22, begin a new paragraph and insert:

"SECTION 284. IC 36-7-32-18, AS AMENDED BY P.L.219-2007, SECTION 140, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 18. (a) **Subject to the approval of the legislative body of a unit that established a redevelopment commission,** the redevelopment commission may, by resolution, provide that each taxpayer in a certified technology park that has been designated as an allocation area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that, under IC 6-1.1-22-9, are due and payable in that year. One-half (1/2) of the credit shall be applied to each installment of property taxes. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the certified technology park:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the county's total eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to the certified technology park fund under section 17 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated and

1 paid into the certified technology park fund under section 17 of this
2 chapter.

3 (b) The additional credit under subsection (a) shall be:

4 (1) computed on an aggregate basis of all taxpayers in a taxing
5 district that contains all or part of a certified technology park; and

6 (2) combined on the tax statement sent to each taxpayer.

7 (c) Concurrently with the mailing or other delivery of the tax
8 statement or any corrected tax statement to each taxpayer, as required
9 by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement
10 also deliver to each taxpayer in a certified technology park who is
11 entitled to the additional credit under subsection (a) a notice of
12 additional credit. The actual dollar amount of the credit, the taxpayer's
13 name and address, and the tax statement to which the credit applies
14 must be stated on the notice.

15 (d) Notwithstanding any other law, a taxpayer in a certified
16 technology park is not entitled to a credit for property tax replacement
17 under IC 6-1.1-21-5."

18 Page 244, line 10, after "IC 6-1.1-29.5-14" delete "." and insert "
19 IC 36-7-14-39.1; IC 36-7-15.1-26.1; IC 36-7-15.1-54."

20 Page 253, between lines 31 and 32, begin a new paragraph and
21 insert:

22 "SECTION 302. [EFFECTIVE UPON PASSAGE] **(a) A municipal**
23 **executive or county executive that is required to appoint an**
24 **individual to serve as a nonvoting adviser to a redevelopment**
25 **commission under IC 36-7-14-6.1, as amended by this act, shall**
26 **make the initial appointment before July 1, 2008.**

27 **(b) The legislative body of a consolidated city that is required to**
28 **appoint an individual to serve as a nonvoting adviser to the**
29 **metropolitan development commission under IC 36-7-4-207, as**
30 **amended by this act, shall make the initial appointment before July**
31 **1, 2008.**

32 **(c) This SECTION expires July 1, 2009."**

33 Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed January 17, 2008).

Representative Leonard